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4 April 1985

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CAMBODIA

VODK SAYS SRV 'DECEPTIVE DIPLOMACY' FAILS

BK161155 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
15 Mar 85

[Station commentary: "The Vietnamese Enemy Aggressors' Deceptive Diplomacy in the Current Dry Season Again Failed Shamefully"]

[Text] In the current dry season, the Hanoi Vietnamese aggressors have repeatedly launched deceptive Cambodian settlement maneuvers in an attempt to:

- 1) Undermine the tripartite CGDK forces so as to prevent them from jointly fighting the Vietnamese enemy aggressors in Cambodia;
- 2) Split the ASEAN unity so as to prevent the ASEAN countries and the world community from supporting the Cambodian patriotic forces resisting the Vietnamese aggressors;
- 3) Bury the UN resolutions which demand the total and unconditional withdrawal of the Vietnamese aggressor troops from Cambodia so as to let the Cambodian people decide their own destiny. This is in order to complicate world public opinion with regard to the settlement of the Cambodian problem, thus preventing them from pressuring Vietnam to withdraw all its troops from Cambodia in accordance with the UN resolutions.

The aim behind these maneuvers is to enable Vietnam to swallow up Cambodia, set up an Indochinese federation, and push forward in accordance with its regional aggression and expansion strategy and its Soviet boss' global aggression and expansion strategy and its Soviet boss' global aggression and expansion strategy in this region. The Hanoi Vietnamese aggressors have actively launched the deceptive diplomatic maneuvers. Recently, they persuaded Australian Foreign Minister Hayden to help propagate these maneuvers for them. The Hanoi authorities see it through that if they cannot get out through this way, their war of aggression in Cambodia will fail because the general situation on the battlefield during the past more than 6 years has become more unfavorable to them and the entire world community has kept pressuring them, terminating aid to Vietnam, and actively supporting the Cambodian patriotic forces and the CGDK in their struggle against the Vietnamese enemy aggressors. In the current dry season, the Vietnamese enemy aggressors have spent a lot by mobilizing forces, tanks, and artilleries to launch the most cruel and

barbarous acts and tricky maneuvers they have resorted to, the Vietnamese enemy aggressors have failed to realize these extremely criminal aims. On the contrary, the world community has condemned the Vietnamese enemy aggressors for their cruel and barbarous acts along the border areas and condemned and rejected their deceptive maneuvers.

Many peace- and justice-loving countries have issued statements, successively condemning the Vietnamese enemy aggressors for attacking the Cambodian refugee camps along the Cambodian-Thai border. Concerning the recent Vietnamese deceptive proposal, they pointed out that there is nothing new and that this is just an obsolete maneuver aimed only at legitimizing the Vietnamese aggression in Cambodia. In this proposal, the Vietnamese enemy aggressors did not mention the UN resolutions which demand total and unconditional withdrawal of Vietnamese troops from Cambodia and respect for the Cambodian people's right to self-determination. Thus, no one accept this proposal.

At the same time the peace- and justice-loving countries stressed their firm stand that the key to the political settlement of the Cambodian question is total and unconditional withdrawal of the Vietnamese aggressor troops from Cambodia and respect for the Cambodian people's right to self-determination free from outside interference in accordance with the UN resolutions. During the talks in Bangkok on 12 March, PRC President Li Xiannian and Thai Prime Minister Prem Tinsulanon were of the same opinion that only after the Hanoi authorities withdraw all their troops from Cambodia can the Cambodian problem be settled. During the talks in Kuala Lumpur on 11 March, SFRY Federal Executive Council President Mrs Milka Planinc and Malaysian Prime Minister Mahathir Mohamed also agree that peace in Cambodia can be achieved only by solving the problem through political means based on the UN resolutions which call for withdrawal of all foreign troops, i.e. Vietnamese troops, from Cambodia and restoration of Cambodian people's right to self-determination. In its 13 March statement, the Philippine Foreign Ministry stressed that the Philippine Government calls on the Hanoi authorities to withdraw all their troops from Cambodia in accordance with the UN resolutions and to consider the ASEAN nations' proposal for the settlement of the Cambodian problem through political means. Also on 13 March, the Belgian Foreign Ministry spokesman stated that Belgium demands that Vietnam cooperate in finding a peaceful solution to the Cambodian problem, including the withdrawal of all foreign troops--meaning the Vietnamese troops--from Cambodia and recognition of the Cambodian people's right to self-determination.

All of this clearly indicated that the world community firmly opposes the Vietnamese aggression against Cambodia and stands firm on the norms governing international relations, UN Charter, and the UN resolutions on Cambodian problem.

In the face of the Vietnamese fascist and cruel acts, killing the Cambodian people in a more barbarous manner, and of these perfidious maneuvers of the Vietnamese enemy aggressors, the tripartite CGDK forces have jointly fought more vigorously on the battlefield, particularly in the interior of Cambodia. They pledge to unite more closely and fight more vigorously against the Vietnamese enemy aggressors and race exterminators until they are compelled to fully implement the UN resolutions on Cambodia.

Thus, the Vietnamese enemy aggressors' current dry-season maneuvers aimed at undermining the CGDK, impairing the international forces supporting the Cambodian people's just struggle against the Vietnamese aggression, and burying the UN resolutions on Cambodia have failed shamefully. If the Vietnamese enemy aggressors want to extricate themselves from their current all-round difficult situation, they must withdraw their aggressor troops totally and unconditionally from Cambodia and respect the Cambodian people's right to self-determination in accordance with the UN resolutions. If they stubbornly carry on this aggressive and expansionist policy, no matter what cruel measures or tricky maneuvers they will resort to, finally they will not be able to avoid most shameful defeat.

CSO: 4212/53

CAMBODIA

VODK ON WORLD DEMAND FOR SRV WITHDRAWAL

BK131325 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
12 Mar 85

[Station Commentary: "The World Demands That Vietnam Respect and Implement the UN Resolutions by Withdrawing All Its Aggressor Forces From Cambodia"]

[Text] Since mid-November 1984, the Hanoi Vietnamese enemy aggressors have made efforts to gather their forces, tanks, and artillery to launch successive attacks along the Cambodian-Thai border in a most savage and brutal manner. During these border attacks, the Vietnamese enemy aggressors, on the one hand, destroyed Cambodian refugee camps and Cambodian resistance forces, burned down houses and property of civilians, and most savagely exterminated refugees along the border. On the other hand, the Vietnamese enemy forces successively violated and intruded into Thai territory, caused bloodshed among the Thai people and the Thai border guards, and shelled Thai villages and houses along the border in almost insolent manner. The Vietnamese aim is to dupe and intimidate the international community and to show that Vietnam is in full control of Cambodia. It is also to force the international community to accept Vietnam's act of aggression in Cambodia as a fait accompli. Along with these concrete activities to exterminate the Cambodian people and daily and constantly violate the Thai border, the Hanoi Vietnamese enemy aggressors have also carried out deceitful political and diplomatic maneuvers concerning talks to resolve the Cambodian issue as if they really wanted peace. However, in truth, they are attempting to bargain on the issue and to reduce world pressure on them to gain time to breathe and strengthen their position in Cambodia to control the country forever.

However, these Vietnamese military, political, and diplomatic maneuvers have failed to achieve any result. On the contrary, they have shown the world clearly the brutal and fascist nature of the Vietnamese enemy aggressors, who are most savagely and brutally exterminating the Cambodian race. They have also shown the world Vietnam's aggressive and expansionist nature against neighboring countries; they have committed aggression and occupied Cambodia, and they are now sending their forces to violate and commit aggression against Thailand. Furthermore, the world clearly realizes the tricky nature of the Vietnamese enemy aggressors. They are incessantly talking about peace and so on; but in truth, they are daily shedding the Cambodian people's blood.

So, the international community will not be taken in by and will certainly not take up the Hanoi Vietnamese enemy's tricky maneuvers. On the contrary, it will continue to unite and raise its voice in condemning the Vietnamese enemy aggressors and demanding that they unconditionally withdraw all their aggressor forces from Cambodia in accordance with the UN resolutions.

As a matter of fact, on 15 January, the special commission of the International Conference on Kampuchea issued a statement saying that the Cambodian issue can only be resolved through peaceful means in accordance with the principle stated in the declaration of the International Conference on Kampuchea and the UN resolutions on Cambodia; this means that Vietnam should withdraw all its aggressor forces from Cambodia and respect the Cambodian people's right to self-determination. On 22 February, Mokhtar Kusumaatmaja, foreign minister of Indonesia, said at Kuala Lumpur airport that the ASEAN stand on the Cambodian issue remains the same as that of the UN General Assembly, which demands that Vietnam withdraw all its forces from Cambodia to let the Cambodian people decide their own destiny. On 27 February, the 41st conference of the UN Human Rights Commission in Geneva adopted a resolution saying that the necessary condition for justly, correctly, and definitively resolving the Cambodian issue is for foreign troops--that is Vietnamese forces--to withdraw from Cambodia to restore Cambodia's independence, sovereignty, and territorial integrity and to respect the Cambodian people's rights to self-determination. On 16 February, the Japanese committee of the International Conference on Kampuchea issued a statement most strongly condemning the Vietnamese attacks along the border and demanding that the Vietnamese Government immediately withdraw all its forces from Cambodia in accordance with the UN resolutions to resolve the Cambodian issue politically.

On 6 March in Beijing, the spokesman of the Chinese Foreign Ministry said the key to resolving the Cambodian issue is the withdrawal of all Vietnamese forces. Only when Vietnam withdraws all its forces from Cambodia can other problems be discussed. On 5 March, during a meeting with Samdech Norodom Sihanouk, Frank O'Flynn, New Zealand's defense minister, said the political solution to the Cambodian issue should involve the withdrawal of all Vietnamese forces from Cambodia. On 8 March, in a press conference in Tokyo, Shintaro Abe said Japan will increase its pressure to get Vietnam to withdraw its forces from Cambodia. On 8 March, (Jacques Honsinger), national secretary for external relations of the French Socialist Party, affirmed the desire for a solution to the Cambodian issue within the framework of the UN resolutions. On 9 March, before leaving for a Southeast Asian trip, Milka Planinc, president of the SFRY Federal Executive Council, said the Cambodian issue should be resolved in accordance with the UN resolutions on the Cambodian issue and the principles of the Nonaligned Movement. On 10 March, the spokesman of the Pakistani Foreign Ministry said Pakistan demands that Vietnam withdraw all its forces from Cambodia and restore peace and freedom in Southeast Asia.

Therefore, no matter how hard the Vietnamese enemy aggressors are striving to carry out their deceitful political and diplomatic maneuvers, as long as they remain stubborn in continuing their aggression and occupation in Cambodia, the international community will continue to denounce and condemn them and to

withdraw all their aggressor forces from Cambodia. And the Cambodian people and the CGDK will continue to unite to hold aloft the banner of struggle to fight even more vigorously against the Vietnamese enemy aggressors on the battlefield until they are all chased out of Cambodia in accordance with the UN resolutions of the past 6 years.

CSO: 4212/53

CAMBODIA

SWEDISH REPORTER FINDS SITUATION GRADUALLY IMPROVING

Stockholm DAGENS NYHETER in Swedish 22 Feb 85 p 1, 14

[Article by Fredrik Roos: "The Wounds Remain in Cambodia. Slowly the Country is Rebuilt"]

[Text] Phnom Penh in February--When you walk through the death field of Choeung Ek, living voices are shut out. The guide's statistics of skulls and tortured can no longer be heard. Bones and decayed clothing still stick out from pits in the ground.

We walk faster and faster. More and more pits appear, a long ditch is full of crushed skulls. The heat is terrible and death could hardly present a worse scenario.

University teachers, students, Buddhist monks, member of the diplomatic service, who had been called home with the false promises of helping the new society, enemy officers, their families and others, whom the Pol Pot regime wanted removed during 1975-1979, were brought here to Choeung Ek.

Some hundred meters from the pavilion with nine thousand unearthened skeletons, perhaps half of what is hidden here, children's voices can be heard from a village school nearby. They sing the Khmer alphabet. Shouts and laughter can be heard. We eagerly ask to be taken to them immediately.

Void

The principal points to the school books that the children share in the four classes. Parts of the primer deal with the cruelties of Pol Pot. The biology book describes agriculture, the good-natured water buffalo and how rice is grown. There are also descriptions of how humans were made to pull plows in the labor camps of Pol Pot.

The present-day history that the people of Cambodia have been forced to live through, they alone can understand completely. Nobody seems to have escaped.

The principal points out that there are hardly any children between the ages of six to eleven. Later that becomes the most painful void to the eye. Cambodia is swarming with infants and there are a fair amount of teen-agers. But the generation that should have been growing up during the Pol Pot years is lacking.

Between 1.5 and 2 million people were killed or starved to death during the years mentioned. Today the population consists of about seven million with one of the highest birthrates in the world.

Education is restored, schools can be seen everywhere in the countryside. In the morning the children gather around the flagpost while the national flag is raised. Fully 80 percent of the children of school age attend school.

Whipping Boy

There were 50,000 teachers before Pol Pot. Now the number is 20,000. Many are recent graduates and survive by farming on the side.

A large part of farming has been organized into solidarity groups of some dozen families in each. Within the group the common tools are maintained in the best possible manner. The number of water buffalo is only a fifth of what it was before the Pol Pot years. The women, who nowadays have to carry the heaviest burdens on the farms, have had to learn how to plow.

According to the international helpers we talked to, the regime has made a credible effort towards improving the condition of the nation, despite its incredibly small resources.

The international aid at the moment is catastrophic aid. The supply of food is sporadic and this year there is the threat of very severe shortages.

A couple of agriculture experts say that the situation could be drastically improved with very few resources, drilled wells, repaired irrigation canals and fertilizer.

But Cambodia is an international whipping boy and is not considered to have any claim to what would otherwise be normal UN-assistance. The United Nations' Childrens Fund, Unicef, is there and coordinates the limited help that exists. The total assistance from the West consists of about 150 million kronor, a tenth of which comes from Sweden.

Stinginess

The reason for the international stinginess is, of course, the Vietnamese presence in the country. On the road to Kompong Chhnang by the large lake in Cambodia's interior, we pass 94 military vehicles on their way to the Thai border. A mixture of Soviet, Chinese and abandoned American trucks are filled with equipment, ammunition and soldiers dressed in green. We count over a thousand men. Some trucks pull 105 mm artillery cannon.

Here and there a young man cradles a guitar, an odd sight in this world of fire-arms.

The Vietnamese are greeted with equanimity, even though they, historically speaking, are an old enemy. "As long as the former Pol Pot regime does not return, we can stand a lot," says an unusually frank official whom we run into.

Russians

The Russians, who have settled in a newly built, isolated suburb on the road to the airport in Phnom Penh, are another matter. A couple of thousand Soviet advisors with their families can be found in the country. According to Soviet norm, they live a strange life. It is the Vietnamese who decide where the Soviet experts and their families are to live, although the Cambodians, officially, are the ones who decide.

In Kompong Chhnang we are told about eight Russians who were killed on the road from Phnom Penh last fall. It is not clear whether Pol Pot's Khmer Rouge were behind the deed.

The Soviet Union is the only true trading partner. Cambodia sells rubber and gets assistance on terms that bind the country more and more as time goes by. All Soviet experts and visitors we see out in the countryside have a military escort.

The Pol Pot guerillas are to be found along the lake, and have been reported as close as 30 kilometers to the capital. There are Home Guard sentinels almost every kilometer along the road. In many cases the villages are fenced to keep out surprise visitors.

Earlier the country had a cement factory, a fertilizer factory and an asphalt factory. None of these factories have been rebuilt. All building material has to be imported. The International Monetary Fund is unresponsive to all requests for financial aid.

The French have recently made an agreement to open a cultural institute in Phnom Penh. That constitutes a rare gesture from the West. French is still the language of higher learning, but its future role as a language is unclear.

He Survived the Terror

A 68-year old Buddhist monk, who survived the Pol Pot regime by fleeing from Cambodia, and a 20-year old who has just decided on the life of a monk.

They have made the pilgrimage to the newly built Buddhist temple in Phnom Penh, one of several recently restored temples. A sign that life is slowly returning to normal.

Even education is restored, writes DN's correspondent Fredrik Roos. Schools can be found everywhere in the countryside.

But the wounds remain. There are almost no children between the ages of six and eleven, the generation that should have been growing up during the Pol Pot years.

The Vietnamese are greeted with equanimity, even if they historically speaking are enemies, so long as the Pol Pot regime does not return.

The case is different with the Russians. The Soviet experts, that we see out in the country, always have a military escort and we hear of eight Russians who were killed last fall.

There are a couple of thousand Russians in the country. The Soviet Union is the only trading partner; Cambodia sells rubber and gets assistance that binds the country more and more.

While other things remain in limbo, several Buddhist temples are being rebuilt. On the small hill that gave its name to Phnom Penh, there is such a temple. Two Buddhist monks, in saffron yellow robes, who are on a pilgrimage, happen to be there. They come from the Ka Kong province and are 60 and 20 years old respectively.

"We had twenty monks in my pagoda before Pol Pot, now we are nine," says the old one. "I fled across the sea in order not to be killed, and then lived in a Thai monastery. A pagoda close-by had thirty monks, now there are five."

"In our district there are several young men who have chosen the life of a monk lately," says the twenty-year old. "There are five of us my age," he says, as he orders his own photographer, whom he pays to take two pictures of himself with the exotic foreigners.

12339
CSO: 3650/184

CAMBODIA

VPA DAILY ON DRY SEASON CAMPAIGN IN BATTAMBANG

BK100938 Hanoi QUAN DOI NHAN DAN in Vietnamese 13 Feb 85 p 2

[Correspondent Bui Van Bong's letter: "The Last Days of the Dry-Season Campaign Against Reactionaries in Battambang"]

[Text] Dear comrade correspondents and readers of QUAN DOI NHAN DAN:

I am sitting at a small desk in an underground house in the middle of Toek Sap jungle [western Battambang] to write this dispatch. This was the forward command post of a unit of the Pol Pot remnants. After January 1979, the Pol Pot remnants retreated to this jungle and colluded with bandit Son Sann to establish a so-called "forward base." They went out hundreds of times from this jungle to Thma Cum, Bavel, and Sisophon to conduct acts of sabotage, kill and rob the people, and disrupt communications. When they were swept out by us, the Pol Pot remnants fled toward Chakkrei, (?Toek Sok), and Phnum Malai. They have recently conducted harassment operations in this mountainous border area. Since unit M-8 of the Cambodian revolutionary army and the Vietnamese volunteer soldiers of the B group have come to "set up a foothold" and protect this area, enemy operations have become scarcer and more limited. The western jungle area controlled by the people of Battambang has grown. The Pol Pot remnants' sanctuaries have gradually narrowed and the revolutionary armed forces of our friends have quickly matured. Our friends now control this jungle area and send in strong units to defend the border. Across the border, the Pol Pot remnants, admitted, protected, and assisted by the Prachinburi provincial administration (Thailand), have built several bases and frequently return to encroach on, sabotage, and harass this border area. However, the soldiers and people of Battambang, in coordination with the volunteer Vietnamese soldiers, have fought dozens of border and inland battles to firmly defend their land and protect their new life.

Recently, Pol Pot remnants from O Da and Chakrai infiltrated their commandos into Pailin to conduct acts of sabotage, disrupt communications in western Bavel, and loot rice and cattle in Sangke, but they were completely eradicated by the local people and militiamen. The militiamen of Kompong Preah commune, Sangke District, recently killed four Pol Pot remnant soldiers while defending the grain depot in the commune, and seized three rifles including two AK's and one B-40 which were given by China to the Pol Pot men. The militiaman of Mongkolborei District recently coordinated with the local armed forces and the

Vietnamese volunteer troops to smash five of the enemy's lairs, killing 17 enemy soldiers, taking 28 prisoners, and seizing nearly 100 assorted weapons, clothing, equipment, and many important documents.

In (Chom Kasarau), the Pol Pot bandits retreated into the jungle, but four local civilians helped the militiamen and reconnaissance soldiers to discover the enemy. The various forces coordinated closely with one another and launched a three-pronged attack, and in only 1 day overran this enemy base. The militiamen of Pailin District during a patrol in (Tuoc Pin) jungle, detected and pursued the enemy right up to their hideout. Cooperating with the army troops, the militiamen smashed the enemy lair and forced the bandits to flee through the border jungle to Thai territory.

Dear brothers,

When you and readers of QUAN DOI NHAN DAN are reading this dispatch, I and other comrades in the VPA's film studio will have already followed the civilian labor group and army units to the border from O Da to Phnum Malai to mop up the enemy remnants. While I am writing this letter, explosions shake the walls of the trench and branches crash onto the trench because the Pol Pot bandits are again attacking our positions. Reconnaissance platoon leader Nguyen Tan and his men have hurriedly dispersed with their weapons to the communications trenches along the forest edge. I am sitting against a corner of the bunker and continue to write so that my dispatch will reach the editors office. An enemy shell has exploded near me. I quickly put the letter into my pack and run to the field fortifications.

Minh Hoi, Lan, and Binh of the Army's cinematography team also grab their weapons and cameras and run to the communications trenches.

In this dry season, the situation in Cambodia is totally different from before, because a broad mass movement has been launched to carry out enemy proselytizing activities, build the militia and self-defense forces, and strengthen the border defense line.

Since the end of the 1984 rainy season, hundreds of "national defense work-sites" have mushroomed along Cambodia's western border. Millions of civilian laborers from 20 provinces and cities in Cambodia have taken turns to clear away jungle, open roads, build fortifications, and repair and build bridges. Groups of civilian laborers and youth volunteers have always followed behind armed forces units to carry out combat support activities. They have cut roads through dense jungle to the border. When the campaign to raid enemy bases along the western border began this dry season, convoys of trucks have been daily rolling along national routes 5 and 6 and roads leading from Kratie to Preah Vihear, carrying civilian laborers and youth volunteers to the border area to build the border defense line.

Battambang is a province that has contributed much labor and scored many achievements in the all-people movement for national defense. Since early in the dry season, Battambang town along has spent hundreds of thousands of man-days building trenches and fortifications, setting defense lines on both

banks of the Sangke river, and opening roads to the border. Youth volunteers and civilian laborers from Battambang town finished building a strategic road nearly 100 km long linking Bavel with Toek Sap and (Tossada) almost 1 month ahead of schedule. The people in Battambang town have enthusiastically participated in "the movement to help the armed forces win victories." In the past the provincial capitals people have supplied units of the Vietnamese volunteer army and the Cambodian revolutionary armed forces with 52,000 thatch panels for use as roofing material and raised more than 100,000 riel to purchase supplies for soldiers to build living quarters and storage facilities. Recently, the people in six villages and three wards in Battambang raised 17,700 riel to buy picks, shovels, and machettes for units charged with opening roads to the border. They have also just sent off 37 youths to fulfill their obligation to defend the fatherland. Mrs (Nu Thon) from Motako 1) hamlet, (Svay Bav) Village, has seven sons; and she recently sent her sixth son to join the Cambodian revolutionary armed forces. A week earlier, she received the news that her third son had sacrificed his life while tracking down Pol Pot bandits in the (Peam Sre) jungle, Tonle Sap.

As you all know, since the beginning of the dry season, the Cambodian armed forces and people, acting in coordination with the Vietnamese army volunteers, have launched 15 attacks on the bases held by the Pol Pot, Son Sann, and Sihanouk groups along the Cambodian-Thai border. On 18 November 1984, the Cambodian Revolutionary Army backed by Vietnamese army volunteers staged the first offensive of the dry season, destroying base N of the enemy, killing hundreds of enemy soldiers, seizing hundreds of assorted weapons, and capturing many prisoners. This was followed by attacks on enemy bases in Yeang Dangkum, northern Ampil, northwestern Pradon Um, Bek Um, Hill 322, Hill 1500, Sok San, and so forth.

The attacks on enemy bases during this dry season have been marked by close coordination between the armed forces and the people and between units of the Cambodian revolutionary army and units of Vietnamese army volunteers. According to recent BBC and VOA reports, Son San declared he would not let those border positions fall. Heavily beaten and repeatedly driven out of their border bases, the Pol Pot army remnants, Sereika bandits, and their ilk have had to shift their operational method from massing in bases from which to launch sabotage operations to sending their forces in small units deep into the interior to launch surprise attacks on population centers and army barracks and disrupt communications.

However, the enemy cannot carry out its schemes and acts easily. Last year, our friendly revolutionary armed forces developed more strongly and evenly than in previous years. All hamlets and villages now have strong militia and self-defense detachments. The military organs of provinces and districts all have local armed forces units with good operational records and a high level of combat readiness, that maintain control of their assigned areas successfully. Main-force units such as groups M, T, C, and so forth have rapidly reached maturity. Having been given adequate technical and tactical training they have scored many armed exploits in attacking enemy bases and tracking down enemy remnants. This is a source of firm confidence for the Cambodian revolution; and at the same time, it means fear and despair for the enemy.

A striking feature is that the entire Cambodian people have in the past participated in enemy proselytizing activities. This is a comprehensive all-people movement that has brought about basic advantages.

The people in Battambang, Siem Reap, Pursat, Mondolkiri, Preah Vihear, and other provinces have successfully persuaded thousands of Pol Pot soldiers to leave their jungle bases and return to the people. All the activities conducted nationwide by the Cambodian army units and people are aimed at checking the flow of enemy infiltrators, isolating enemy elements inside the country, gradually cleansing localities, and destroying all the enemy's footholds in order to maintain security and ensure production. On the southwestern Cambodian border, as soon as enemy bases are seized by army units, people are sent in immediately to set up a defense line, control the area, and firmly safeguard the country's territorial sovereignty.

As I now have to make preparations to accompany our troops on an operation directed against enemy bases, I am unable to write in detail about the combination of military attacks and enemy proselytizing activities during the dry season. That must await my next dispatch.

CSO: 4209/292

CAMBODIA

LEADERS THANK GDR COUNTERPARTS FOR GREETINGS

BK021814 Phnom Penh Domestic Service in Cambodian 0430 GMT 2 Mar 85

[Text] Comrade Heng Samrin, general secretary of the KPRP Central Committee and chairman of the Council of State; Comrade Chea Sim, chairman of the National Assembly; and Comrade Hun Sen, chairman of the Council of Ministers of the PRK, recently sent a message of thanks to Comrade Erich Honecker, general secretary of the Socialist Unity Party of Germany [SED] Central Committee and chairman of the Council of State; Comrade Willi Stoph, chairman of the Council of Ministers; and Comrade Horst Sindermann, chairman of the People's Chamber of the GDR. The message says: On behalf of the KPRP Central Committee, the Council of State, the Council of Ministers, the National Assembly, and all people of the PRK and in our own names, we would like to express sincere salutations and thanks to the SED Central Committee, the Council of State, the Council of Ministers, the People's Chamber, and the people of the GDR for their greetings on the sixth national day of the PRK. We are glad and confident that the fraternal friendship and close cooperation between our two parties, countries, and peoples are developing steadily. Based on Marxism and proletarian internationalism, the PRK will make every effort to implement successfully the treaty of friendship and cooperation in the interests of our peoples and in defense of peace and consolidation of socialism.

CSO: 4212/52

CAMBODIA

DEPUTY DEFENSE MINISTER CLOSES EMULATION MEETING

BK021444 Phnom Penh Domestic Service in Cambodian 1300 GMT 1 Mar 85

[Text] On 28 February, at the office of the Army Health Department, a meeting on the emulation movement of the General Logistics Department was solemnly held.

Members of the audience attentively listened to the guidance of Comrade (Chan Dara), deputy chief of the Logistics Department; and Comrade Tum Samnang, head of the Planning Department, who stressed to cadres and combatants the importance of being exemplary models, abiding by discipline, and being united and resolute in increasing the quality of work to carry out the logistic, technical, and financial tasks. Along with this, the audience carefully listened to the report on the emulation movement of the Logistics Department. The department received an honorary banner from the Council of Ministers for its work.

In his closing speech, Deputy Defense Minister Meas Kroch called on members of the meeting to raise their political and technical knowledge to serve their units well. The comrade also stressed that cadres and combatants of the Logistics Department should firmly adhere to the 12-point discipline of the Cambodian Revolutionary Army and should strive to further their spirit of thrift and initiative, and ensure the protection of state property and stability in accordance with the requirements of the front and rear battlefields.

The meeting also conferred banners of the Defense Ministry to the Gas Department and the secretariat, and citation certificates to the Financial Department, the Brick Kiln Department, the Logistics Department, supporting units, logistic branches, units of the Gas Department, and 40 other individuals for their good work.

CSO: 4212/52

CAMBODIA

VONADK, VODK BATTLE REPORTS FOR 8-14 MARCH

BK150743 [Editorial Report] (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian and (Clandestine) Voice of Democratic Kampuchea in Cambodian broadcast the following battle reports during the reporting period 8-14 March:

VODK at 2330 GMT on 8 March reports that between 16 February and 5 March, the Democratic Kampuchean National Army on Koh Kong Leu, Koh Kong Kraom, Kompong Thom, Kratie, Tonle Sap, and Siem Reap battlefields killed or wounded 77 Vietnamese soldiers; destroyed 1 rice stock, 1 paddy stock, 4 trenches, 4 barracks, 1 commune office, and some materiel; and seized some ammunition and materiel.

VONADK at 2315 GMT on 8 March reports that between 24 February and 5 March, Democratic Kampuchean forces on Samlot, Pailin, South Sisophon, East Battambang, Siem Reap, and Kompong Speu battlefields killed 92 Vietnamese soldiers and wounded 118 others; destroyed 28 assorted weapons, 2 trucks, 9 boats, 1 train coach, 2 motor vessels, and some materiel; and seized some ammunition and materiel.

According to VONADK at 2315 GMT on 9 March, between 18 February and 6 March Democratic Kampuchean forces on Samlot, Chhep, Leach, Siem Reap, and Kompong Thom battlefields killed or wounded 145 Vietnamese soldiers; destroyed 45 weapons, 14 train coaches, 4 telephone sets, 3 C-25 radios, 20,000 liters of gasoline, 1 commune office, 79 barracks, 15 trenches, 1 warehouse, 2 ammunition depots, and some materiel; seized 25 weapons, 1 C-25 radio, and some materiel; and liberated 7 villages and freed 100 people on Kompong Cham battlefield.

VODK at 2330 GMT on 9 March reports that between 24 February and 5 March, Democratic Kampuchean guerrillas on Kompong Speu, Leach, East Battambang, Pailin, Samlot, South Sisophon, and Siem Reap battlefields killed or wounded 259 Vietnamese soldiers; destroyed 59 weapons, 2 trucks, 2 C-25 radios, 1 locomotive, 15 train coaches, 40,000 liters of diesel fuel and gasoline, 2 warehouses, 2 ammunition dumps, 45 trenches, 77 barracks, 4 houses of the Vietnamese experts, 1 railway station, 6 large boats, and some war materiel; and seized some ammunition and materiel.

According to VONADK at 2315 GMT on 10 March, between 23 February and 7 March, Democratic Kampuchean forces on Tonle Sap, Koh Kong Kraom, Koh Kong Leu, Moung-Pursat, Kompong Cham, Pailin, Siem Reap, and Kampot battlefields killed or wounded 224 Vietnamese soldiers; destroyed 8 guns, 6 provincial office buildings, 2 commune officers, 33 barracks, 50 trenches, 2 ships, 8 trucks, 6 motorcycles, 50,000 liters of diesel fuel, 3 warehouses, and a large quantity of war materiel; cut 15 sections of railroad track totaling 240 meters; and seized some guns, ammunition, and war materiel.

VONADK at 2315 GMT on 11 March reports that between 3 and 8 March, Democratic Kampuchean forces on Pailin, Kampot, East Battambang, Tonle Sap, Kompong Speu, and Siem Ta battlefields killed or wounded 259 Vietnamese soldiers; destroyed 150 assorted weapons, 380 trenches, 235 barracks, 1 ammunition depot, 2 mine storehouses, 5 explosive warehouses, 500 mines, 1 clothing storehouse, 2 rice storehouses, 20 trucks, 13 telephone sets, 15,000 liters of gasoline, 5 maps, 5 pairs of binoculars, 1 commune office, a large quantity of war materiel, and 312 meters of railroad tracks; seized 68 assorted weapons and some documents and materiel; and liberated 7 villages on Moung-Pursat battlefield.

According to VODK at 2330 GMT on 11 March, between 23 February and 6 March, Democratic Kampuchean forces on Kohkong Leu, Koh Kong Kraom, Kampot, Moung-Pursat, Tonle Sap, Pailin, Siem Reap, and Kompong Cham battlefields killed or wounded 314 Vietnamese soldiers; destroyed 146 assorted weapons, 20 trucks, 13 telephone sets, 15,000 liters of gasoline, 1 weapon warehouse, 2 mine storehouses, 5 explosive storehouses, 3 materiel warehouses, 1 clothing storehouse, 2 rice storehouses, 1 gas mask storehouse, 370 trenches, 223 barracks, some ammunition and war materiel, and 240 meters of railroad track; and seized 68 assorted guns, 1 C-25 radio, and a large quantity of ammunition and war materiel.

According to VONADK at 2315 GMT on 12 March, between 1 and 10 March, Democratic Kampuchean forces on Koh Kong-Kompong Som, Sisophon-north of route 5, Sisophon-south of Route 5, Kompong Cham, Chhep, East Battambang, and Kompong Thom battlefields killed or wounded 168 Vietnamese soldiers; destroyed 22 assorted weapons, 1 district office, 2 commune office, 3 tractors, 3 rice milling machines, 1 motorcycle, 1 rice storehouse, 1 paddy storehouse, 1 barracks, 8 trenches, 1 bridge, and a quantity of war materiel; seized 3 guns and some ammunition and materiel; and freed 3 villages on East Battambang battlefield and 8 other villages on Kompong Thom battlefield.

VODK at 2330 GMT on 12 March reports that between 3 and 8 March, Democratic Kampuchean forces on Kampot, Kompong Speu, Tonle Sap, Siem Ta, East Battambang, and Pailin-Route 10 battlefields killed or wounded 71 Vietnamese soldiers; destroyed 10 trenches, 5 barracks, 1 commune office, and some weapons and war materiel; seized some war materiel; and liberated 1 commune office and 7 villages on Moung-Pursat battlefield.

According to VONADK at 2315 GMT on 13 March, between 3 and 11 March Democratic Kampuchean National Army on Koh Kong Leu, Samlot, and Pailin battlefields killed or wounded 106 Vietnamese soldiers; destroyed 6 weapons, 260 meters of railroad tracks, and some war materiel; and seized some war materiel.

According to VONADK at 2315 GMT on 14 March, between 7 and 14 March, Democratic Kampuchean forces on Samlot, Koh Kong Leu, South Sisophon, Leach, and Kompong Chhnang battlefields killed or wounded 77 Vietnamese soldiers; destroyed 42 meters of railroad tracks, 1 30-meter bridge, and some weapons, ammunition, and war materiel; and seized some weapons, ammunition, and war materiel.

CSO: 4212/53

CAMBODIA

VODK CITES UN RESOLUTION CONDEMNING SRV ATTACK

BK050849 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
4 Mar 85

[Text] The 41st conference of the UN Human Rights Commission in Geneva adopted a resolution on 27 February condemning the Hanoi authorities for attacking Cambodian refugee camps in the border region. This resolution was supported by 28 more votes and opposed by 8 votes, 2 less than the previous year.

The resolution noted that Vietnam's recent operations have caused over 160,000 Cambodian refugees to flee to Thailand. It stressed that the stubbornness in illegally occupying Cambodia by foreign troops--namely, the troops of the Hanoi enemy aggressors--has prevented the Cambodian people from determining their own destiny, and this constitutes a serious violation of the Cambodian people's rights.

The resolution stressed that the necessary condition for a just and permanent settlement of the Cambodian question is to have all foreign troops withdraw from Cambodia, to restore the independence, sovereignty, and territorial integrity of Cambodia, and to recognize the Cambodian people's right to self-determination while all countries concerned are prohibited from interfering in Cambodia's national affairs.

CSO: 4212/53

CAMBODIA

VODK SAYS HAYDEN 'PEDDLING' HANOI'S 'TRASH'

BK141154 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
13 Mar 85

[Station commentary: "The Hanoi Vietnamese Aggressors' Deceptive Cambodian Dialogue Proposal is the same shopworn merchandise which has been repeatedly rejected by the International Community"]

[Text] Over the past few days since returning from Hanoi, Australian Foreign Minister Hayden has repeatedly stated that during his meeting with the Hanoi leaders, the latter expressed a strong desire to seek a political solution to the Cambodian problem and that Vietnam's clarifications constituted the definitions which could bring progress toward a political settlement of the Cambodian problem. However, from what Hayden has repeatedly said, world public opinion unanimously agrees that there is nothing new in the proposal or plan for solving the Cambodian problem made by the Hanoi authorities. They did not mention the total and unconditional withdrawal of their aggressor troops from Cambodia in accordance with the UN resolutions. In this regard world public opinion is absolutely correct, for without the total withdrawal of the Vietnamese aggressor troops from Cambodia, how can the Cambodian problem be resolved? How can the Cambodian people exercise their right to self-determination? How can free elections be held in Cambodia under the bayonets and the tank tracks of the more than 250,000 Vietnamese aggressor troops and the more than 50,000 dictatorial and fascist Vietnamese administrators? Not to mention free elections or the right to self-determination, the Cambodian people can't even enjoy the right to live peacefully in their own country. During the past more than 6 years, more than 2.5 million Cambodian people, young and old and male and female alike, have been massacred by the Vietnamese aggressor forces through various barbarous and cruel methods, such as shooting, arrests, torture, detention, banning them from going out of villages to earn their living in order to starve them to death, and herding them to clear bushes and build fences and camps in the western part of Cambodia far away from their home towns. These criminal acts have caused many Cambodians to die every day. Meanwhile, the survivors have been suffering untold misery. Worse still, the Vietnamese have resorted to the use of chemical weapons, killing many Cambodian people.

While Hayden was on his way to Hanoi, tens of thousands of Vietnamese aggressor troops were launching their operations to massacre the Cambodian refugees along the border areas in a most barbarous and fascist manner, killing in each area

dozens and even hundreds of Cambodians who fled from the interior of the country, and compelling hundreds of thousands of others to flee in a most miserable manner into Thai territory. At the same time, the Vietnamese aggressor troops have kept shelling and invading Thai territory on an increasingly larger scale, thus clashing with Thai troops and causing many casualties among Thai troops and villagers. Vietnam has done all this without heeding the strong demand of world community and the protests of the Thai government.

All these criminal acts by the Vietnamese enemy aggressors have worsened the tense situation in the border area. Therefore, can there be anything new or significant in the Hanoi authorities' statement conveyed by Hayden? No, there can not. The deceptive Cambodian dialogue proposal peddled on behalf of Vietnam by Hayden is just shopworn merchandise that the ASEAN nations and the world community rejected long ago. The aim of this Vietnamese scheme is to disperse the Cambodian patriotic forces, undermine the CGDK, and persuade others to recognize the aggressive Vietnamese regime in Phnom Penh, thus making them accept Hanoi's aggression in Cambodia as a fait accompli. This is the unchanged, real aim of the Hanoi authorities. The only thing new is that previously Vietnam peddled on the Vietnamese behalf by Hayden. Although it has been rewrapped with Hayden's label, this rotten package still stinks just the same. No matter how hard Hayden might try to peddle this junk, no one wants it. If Hayden continues to peddle this Vietnamese trash, sooner or later he will be smeared with the stink of it.

The overwhelming majority of peace- and justice-loving countries in the world have strongly opposed the Vietnamese aggression in Cambodia. They will not accept the outcome of the Vietnamese aggression against Cambodia. They firmly hold that the key to the political settlement of the Cambodian problem is the total and unconditional withdrawal of Vietnamese aggressor troops from Cambodia and respect for the Cambodian people's right to self-determination free from any outside interference in accordance with the six UN resolutions. So long as these conditions are not met, they will continue to put all kinds of pressure on Vietnam and support the Cambodian patriotic resistance forces so as to enable them to fight more vigorously against the Vietnamese enemy aggressors on the battlefield, thus imposing more pressure--militarily, politically, diplomatically, economically, and all other fields--on the Vietnamese enemy aggressors until they are compelled to withdraw their aggressor troops totally and unconditionally from Cambodia in accordance with the UN resolutions. Only after Vietnam fully abides by the UN resolutions can the Cambodian problem be resolved, can Cambodia once again enjoy peace and security and Southeast Asia enjoy long-lasting peace and stability.

CSO: 4212/53

CAMBODIA

VODK REPORTS VIETNAMESE TAKE STUDENTS' BLOOD

BK131620 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
12 Mar 85

["News commentary": "In Tuk Meas District, Kampot Province, the Vietnamese Enemy Aggressors Arrested Students, Took Their Blood, and Inoculated Them, Making Them Crippled and Insane"]

[Excerpt] The Vietnamese enemy aggressors arrested 10 students of Vat Prey Krala school, Tuk Meas District, Kampot Province, on 27 February. The aggressors took these students' blood. Later, they inoculated these children, making them crippled and insane.

CSO: 4212/53

CAMBODIA

VONADK-UNIT COMMENDED FOR ATTACK ON SRV DIVISION POST

BK140549 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 14 Mar 85

[Letter of commendation issued 12 March by the Supreme Command of the Democratic Kampuchean National Army to the army unit that attacked the command post of the Vietnamese enemy's 339th division at Anlung Reap on Leach battlefield]

[Text] At 0200 on 8 March, our national army unit on western Leach battlefield launched an attack on the command post of the Vietnamese enemy's 339th division at Anlung Reap, killing or wounding 115 Vietnamese soldiers and destroying a large quantity of the Vietnamese enemy's war means, including 105-mm, 122-mm, and 37-mm cannons. This attack on the command post of the Vietnamese enemy's 339th division has caused great panic among the Vietnamese because this post is the general headquarters of the western Leach battlefield and the transit center and supply depot for this battlefield.

This is another outstanding feat of our comrades-in-arms on the western battlefield in this 7th dry season.

The Supreme Command of the Democratic Kampuchean National Army would like to extend its warmest commendations and to express its satisfaction to combatants, cadres, and people who fought actively on 8 March and won major, significant victories, thus causing heavy losses and defeats to the Vietnamese enemy aggressors.

The Supreme Command of the Democratic Kampuchean National Army calls on combatants and cadres on this western Leach battlefield to draw on this experience and to learn from this attack so as to advance this effective combat line toward achieving greater victories. At the same time, all battlefields throughout the country that are currently engaged in the fight against the Vietnamese enemy aggressors and race exterminators are called upon to draw on this good experience and to learn from this attack on the Vietnamese enemy aggressors at the command post of the 339th division at Anlung Reap so as to advance their fight toward achieving more significant victories.

The Supreme Command of the Democratic Kampuchean National Army wishes combatants, cadres, and people on the western Leach battlefield greater victories in carrying out their daily duties of attacking the Vietnamese enemy aggressors and race exterminators.

[Signed] The Supreme Command of the Democratic Kampuchean National Army

12 March 1985

CSO: 4212/53

4 April 1985

CAMBODIA

KHIEU SAMPHAN GENEVA ADDRESS ON AFRICA FAMINE

BK151206 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
14 Mar 85

[Text] At the invitation of UN Secretary General Javier Perez de Cuellar, Khieu Samphan, vice president of Democratic Kampuchea in charge of foreign affairs, led a delegation to attend the conference on emergency aid for Africa which was held in Geneva on 11 and 12 March.

On the morning of 12 March, Vice President Khieu Samphan delivered a speech praising the UN secretary general for his determination and activities to help the African people who have suffered from the most serious economic trouble unprecedented in history.

He said: All of us are very shocked at the suffering of the African people--men, women, and children--due to famine. The number of people suffering from this tragedy is alarming. Over 150 million people in Africa, that is one third of the entire population of the continent, suffer from famine, and various diseases. The percentage is much higher if we assess the suffering in each country. In many provinces of a number of countries, the percentage of people who are suffering reaches 90 percent. This tragedy is enormous because the peoples who are suffering from famine must move to other more favorable places. The situation is becoming more serious from year to year and the number of countries affected by the disaster is increasing. In the long run, this disaster threatens the lives of the African peoples and their civilizations.

He stressed: As a developing and very poor country--and one that has suffered from aggression and genocide--Democratic Kampuchea understands very well the dimension and seriousness of the dangerous situation so valiantly, courageously, stubbornly, and proudly faced by various African governments.

The Cambodian people, who have suffered terribly from the brutal crimes of the aggressors, the famine created and used by the aggressors as a weapon to kill them, the lack of vitamins, and the many various serious diseases caused by the war, realize the tragedy of the fraternal African people. Although it is very busy in its struggle for national liberation, which is developing well in all fields throughout the country and cannot be covered up by the attacks of the Vietnamese aggressors along the border, the CGDK always participates in

all international conferences to help African refugees and to contribute to the efforts of various African peoples and countries as well as those of the international community. The CGDK always responds actively to the fraternal African peoples.

Today, in the name of the Cambodian people and the CGDK, we would like to present our reasonable contribution as evidence of our indestructible solidarity and friendship with the African peoples and countries. The noble efforts and determination of African governments and peoples to eliminate this disaster will receive more important, broader, and more effective support from the international community. The solidarity and support for the African peoples who are suffering are not generosity or mercy, but the duty of mankind toward fellow human beings. This is a vital obligation which comes from the universal brotherhood. This solidarity and support for the African peoples conform with the goal of the UN Charter whose 40th anniversary we will mark this year.

This solidarity and support must continue for a long period of time because the struggle against famine is a long-lasting struggle. This great struggle against disaster in the framework of the whole continent is a challenge of the entire mankind. This disaster is a threat to the lives of millions of fraternal Africans. This struggle is the pride of mankind in deploying our capacity to help our fellow human beings who are suffering. It is also our duty to defend peace and security in the world.

We must not be defeated in this struggle! We must definitely win in this struggle!

CSO: 4212/53

CAMBODIA

VODK PRAISES UN HUMAN RIGHTS COMMISSION

BK051049 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
4 Mar 85

[Station commentary: "The International Community Is Joining Voices in Condemnation of the Vietnamese Enemy Aggressors for Attacking Cambodian Refugee Camps and Once Again Demanding that the Hanoi Authorities Withdraw All Their Aggressive Forces from Cambodia and Respect the Cambodian People's Right to Self-Determination"]

[Text] On 27 February 1985, the 41st conference of the UN Human Rights Commission in Geneva once again adopted a firm resolution condemning the Vietnamese enemy aggressors for violating the Cambodian people's right to self-determination and their savage attacks on civilian Cambodian settlements the Cambodian-Thai border during this dry season. The resolution reaffirms that the stubbornness in illegally occupying Cambodia by foreign troops--namely, the troops of the Vietnamese enemy aggressors--has prevented the Cambodian people from deciding their own destiny and that this constitutes serious encroachment upon the rights of the Cambodian people. The resolution stresses that the necessary condition to correctly and permanently settle the Cambodian question is that all foreign troops should be withdrawn from Cambodia; Cambodia's independence, sovereignty, and territorial integrity should be restored; the Cambodian people's right to self-determination should be recognized; and a guarantee should be obtained from all countries not to interfere in Cambodia's internal affairs.

This is the sixth time that the UN Human Rights Commission had adopted a resolution condemning the Vietnamese enemy aggressors for occupying Cambodia and demanding that they completely and unconditionally withdraw their troops from Cambodia and respect the Cambodian people's right to self-determination. The resolution is correct and just and fully accords with the UN Charter, the principles of international law and practice, and the UN resolutions. This once again clearly shows that the international community as a whole resolutely opposes the brutal and savage aggression of the Hanoi authorities in Cambodia. The world cannot condone the use of brute force by one country to encroach upon and commit aggression against another sovereign country with impunity.

This constitutes another shameful political setback for the Hanoi aggressors, who during this dry season have painstakingly mobilized tens of thousands of

troops to launch an offensive against Cambodian refugee camps along the Cambodian-Thai border in an attempt to mislead intimidate the world public into accepting their aggression in Cambodia as a fait accompli. This resolution also once again reaffirms that the international community continues to adhere firmly to the principled stand of settling the Cambodian question according to the UN resolutions that demand that the Vietnamese authorities withdraw all their aggressive troops from Cambodia and respect the right of the Cambodian people to determine their own destiny without any outside interference.

Therefore, despite the efforts of the Vietnamese authorities and their accomplices to bury the UN resolutions by putting forward various deceptive proposals on the settlement of the Cambodian question, they will never succeed. The world is clearly aware that the Cambodian question stems from the fact that Vietnam sent hundreds of thousands of soldiers to invade and occupy Cambodia, an independent and sovereign state and a fully legal member of the United Nations. For the past more than 6 years, not only have the Vietnamese enemy troops now conducting aggression in Cambodia violated the Cambodian people's right to self-determination, but they have also massacred the Cambodian people through all kinds of archcriminal and savage methods: murdering them outright; fabricating pretexts to arrest, jail, and then shoot them to death; forcing them to live inside strategic hamlets whence they are banned all movement in order to starve them to death; impressing them to fight and die in their place; and rounding up and forcing them to clear brush, build transportation lines, build barracks and camps, and dig trenches for the Vietnamese forces, causing our people to die from famine and all kinds of illness. Moreover, they have even used toxic chemical weapons, spraying from planes, firing artillery shells, and lacing drinking water, sweets, cakes, and medicines, killing many Cambodians individually or in groups and families. Furthermore, the Vietnamese enemy aggressor troops have repeatedly robbed our Cambodian people of their property, cattle, and rice, seriously impoverishing our people and causing many to die pitifully of starvation. As for the women, many from pre-teen children to old ladies have been raped in a most criminal and savage manner. The refugees in the border region who had fled the Vietnamese massacre in the interior of the country have not been spared--the Vietnamese attacked and massacred many of them, sending the hundreds of thousands of survivors to flee in all directions most pitifully toward safe refuge in Thailand.

All these archcriminal activities of the Vietnamese enemy aggressors are aimed at exterminating the Cambodian nation and incorporating Cambodia into an Indo-chinese federation before pushing forward in accordance with Vietnam's regional aggressive and expansionist strategy and with the Soviet Union's global aggressive and expansionist strategy in the region. Therefore, not only are the Cambodian people deprived of their right to self-determination, they are denied even the right to live peacefully in their own country. Such is the woe and grief of the Cambodian people in the war of aggression and genocide that the Hanoi enemy aggressors have waged in Cambodia for the past more than 6 years. The resolution of the UN Human Right Commission conference that condemns the Hanoi authorities' crimes in Cambodia and demands the complete and unconditional withdrawal of their aggressive troops from Cambodia and respect for the Cambodian people's right to determine their destiny without

any outside interference is therefore a most reasonable and just act that greatly encourages the victimized Cambodian people who are fighting the Vietnamese enemy aggressors in defense of the Cambodian nation and race, for their sacred rights, and for an independent, sovereign, peaceful, neutral, and non-aligned Cambodia enjoying territorial integrity.

The Cambodian people would like to express profound thanks to the conference of the UN Human Rights Commission which, for the past 6 years, has always rendered justice to the Cambodian people, the victims, and opposed the acts of aggression and expansion of the genocidal Vietnamese enemy authorities, the aggressors. At the same time, we appeal to all peace- and justice-loving countries and the entire international community to continue putting pressure in all fields on the Hanoi enemy aggressors to force them to withdraw all their aggressive troops unconditionally from Cambodia, allowing the Cambodian people to determine their own destiny without any outside interference in accordance with the UN resolutions. Only by firmly adhering to this principled stand can the Cambodian question be permanently settled, thus bringing back peace and happiness to the Cambodian people and security and stability to the whole of Southeast Asia.

CSO: 4212/53

CAMBODIA

BRIEFS

ATTACK IN EAST BATTAMBANG--We attacked the Vietnamese enemy's commune office in Peam Ek commune, East Battambang battlefield. We killed or wounded a number of Vietnamese enemy soldiers, destroyed a rice milling machine and a quantity of military materiel, seized some ammunition and military materiel, and liberated three villages: Peam Ek, Rohal, and Chong Sdau. [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 12 Mar 85 BK]

KOMPONG THOM VILLAGES 'LIBERATED'--We attacked and liberated the Vietnamese enemy's commune office in Kompong Svay commune, Kompong Svay District, Kompong Thom Province, on the night of 7 March. We killed or wounded a number of Vietnamese enemy soldiers; seized 20 sacks of paddy, 100 sacks of salt, and a quantity of military materiel; and liberated 8 villages: Tnaot, Team Chas, Kompong Bay Srov, Prey Preash, Phneou, Dang Rumduol, So Chey, and Kompong Svay. [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 12 Mar 85 BK]

25 FEB ATTACKS IN KOMPONG CHHNANG--On 25 February, we attacked the Vietnamese aggressors at (Kbal Kon Russei) and Peam Chhkaok in Kompong Leng District [Kompong Chhnang Province]. We killed 20 Vietnamese soldiers, wounded 20 others, and destroyed a B-40 rocket launcher, 6 AK's, 6 big boats, 3 rowboats, 2 motorboats, and some war materiel. [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 8 Mar 85 BK]

2 MAR TRAIN ATTACK IN KAMPOT--On 2 March, we ambushed a Vietnamese train west of Romeas in Kompong Trach District [Kampot Province]. We killed 5 and wounded 20 Vietnamese soldiers and destroyed a 12.7-mm machinegun, 5 AK's, and a train coach and all materiel inside it. [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 8 Mar 85 BK]

3 VILLAGES 'LIBERATED' IN KRATIE--We attacked the Vietnamese enemy's commune office in Cheung Chhlaus commune, Kratie District, Kratie Province, on 3 March. We killed or wounded a number of Vietnamese enemy soldiers. We destroyed a commune office, 4 military barracks, a paddy storehouse with 300 sacks of paddy, a rice warehouse, a salt storehouse, and a quantity of military materiel. We seized an AK, an AR-15, and some military materiel. We liberated three villages: Cheung Chhlaus, Cheung Khle, and Kampeul. [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 7 Mar 85 BK]

4 April 1985

BAKAN DISTRICT SEAT ATTACKED--On the night of 13 March, our national army launched a 2-pronged attack against Bakan district seat in Pusat Province. The first prong attacked the Bakan district office; the second attacked the Trapeang Chong commune office. After a 30-minute battle, we destroyed these two places. We killed 10 and wounded 15 Vietnamese enemy soldiers; among the dead was a Vietnamese district expert. We destroyed 1 82-mm mortar, 15 AK's, 1 M-79, 28 barracks, 20 trenches, 1 district office, 3 commune offices, 1 Vietnamese district policeman's house, 5 Vietnamese experts' houses, 1 warehouse, and some war materiel. We also seized some materiel. [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 17 Mar 85 BK]

SRV BOAT ATTACK IN KRATIE--On 6 March, a 150-horsepower boat carrying Vietnamese soldiers from Phnom Penh to Kratie was attacked by our forces at Thmar Reap in Prek Prasap District [Kratie Province]. All 40 Vietnamese soldiers on the boat were killed, including a Vietnamese provincial governor, a district chief, and a policeman. We destroyed a Goryunov machinegun, an RPD, 2 B-40 rocket launchers, 3 M-79's, 20 AK's, a C-25 radio, and some ammunition and materiel. [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 15 Mar 85 BK]

BATTAMBANG VILLAGES 'LIBERATED'--On 12 March, we launched an attack against a Vietnamese commune office at Chamnaom on south Sisophon battlefield [Battambang Province]. We killed a Vietnamese soldier and wounded two others. We destroyed 10 trenches, 2 barracks, and some war materiel; seized 2 pistols, 2 rucksacks, 8 mines, 22 sacks of rice, 7 sacks of paddy, 6 sets of clothing, and some war materiel; and liberated 8 villages: (Phlov Choar), Ta Sal, Krang, (Run Kou Leu), (Run Kou Kraom), Chamnaom Leu, Chamnaom Kraom, and Pralay Chao. [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 15 Mar 85 BK]

PHNUM SAMPEOU DISTRICT SEAT ATTACKED--Our national army launched a 2-pronged attack on Phnum Sampeou district seat, Battambang Province, on the night of 4 March. The first prong was directed against the company position, which is part of the defense network of Phnum Sampeou district seat. The second prong was directed against Phnum Sampeou district seat and the Vietnamese enemy's commune office. After 30 minutes of fighting, we completely liberated Phnum Sampeou district seat, the commune office, and this company position. We killed 12 Vietnamese enemy soldiers and wounded 5 others; destroyed 5 AK's, a military barracks, 8 trenches, a rice milling machine, a motorcycle, a commune office, and a quantity of military materiel; and seized 3 AK's and some military materiel. [Text] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 12 Mar 85 BK]

MESSAGE OF THANKS--Recently, Comrade Hun Sen, member of the party Central Committee Political Bureau, chairman of the Council of Ministers, and foreign minister of the PRK, sent a message of thanks to Comrade Robert Montdargent, parliament member, mayor of Argentuil, and vice chairman of the French Parliament's Foreign Relations Commission. The message stressed: I would like to express gratitude for the congratulations and wishes you sent on the occasion of my election as chairman of the PRK Council of Ministers. I am convinced that the friendly relations between our two peoples and countries will certainly be expanded. [Text] [Phnom Pen Domestic Service in Cambodian 1300 GMT 2 Mar 84 BK]

INDONESIA

CALL FOR PPP TO HOLD EXTRAORDINARY CONGRESS

Jakarta PELITA in Indonesian 23 Feb 85 pp 1, 2

[Text] H. Muzaini Ramli told reporters yesterday that when the draft law on political parties and functional groups is approved by Parliament, the PPP [Partai Persatuan Pembangunan/United Development Party] will no longer have a reason for postponing a consolidation of concepts and ideals within the party. Muzaini Ramli is deputy chairman of the Jakarta zone executive council of the PPP and chairman of the P6 [not identified] Team.

He stated that all sociopolitical forces must honestly comply with the provisions of the draft law, both in their political actions and in their programs or other adjunct activities.

He said that the Jakarta zone executive council of the PPP is prepared to make a success of the 1987 general election by adhering to the provisions of the draft law and accepting them as the rules of the game. This is because they provide a continuing means for the development of politics and democracy on the basis of the Pancasila, which is the system that is supported by national consensus.

Extraordinary Congress

Muzaini Ramli says that he feels that all of the resolutions approved by the PPP First Congress in August 1984 should be revised because they do not conform to the provisions of the draft law on political parties and functional groups.

He said that according to the party's constitution, resolutions passed by one congress can only be amended by another congress. Therefore, the Jakarta zone executive council of the PPP is urging that an extraordinary party congress be immediately convened to revise all of the resolutions approved by the First Congress.

He said that the inconsistencies between the products of the First Congress and the text of the draft law on political parties and functional groups concern matters of principle that affect the strength and breath of the party.

Ramli said that the Jakarta zone executive council does not want the PPP to leave the national system as this will only damage party members and the public at large, and, in turn, have an adverse effect on the development of the nation and the state.

Enumerating matters that require immediate attention, Muzaini Ramli said that the PPP should think about replacing the party emblem, should actively recruit members without regard to religious preferences, should give public leaders an opportunity to participate in the administrative process at national and regional levels, and should follow rigid guidelines in selecting executive personnel so that the leaders at the national level will be able and willing to implement reforms.

He said that when persons express the view that the regions have no desire to amend the resolutions of the First Congress, their motive is to mislead party members and to get them to oppose legal regulations.

He also cautioned that the Islamic religion is an instrument of faith and must not be exploited in the interests of practical politics.

He ended his remarks by saying that efforts to consolidate the party are not confined to the holding of zone and branch conferences. Consolidation also is required in matters of principle, that is, there is a need for the consolidation of concepts and ideals within the party.

5458
CSO: 4213/171

INDONESIA

PPP ACTS TO RECALL FOUR MEMBERS FROM SEATS IN PARLIAMENT

Jakarta PELITA in Indonesian 20 Feb 85 pp 1, 12

[Text] The PPP [Partai Persatuan Pembangunan/United Development Party] central executive council, following established procedure, has officially sent a letter to the leadership of Parliament recalling two party members. The party members being recalled from their seats in Parliament are Drs Syarifuddin Harahap and Drs H.B.T. Achda.

The letter is dated 12 February 1985 and is accompanied by statements from several PPP zone executive councils supporting the PPP general chairman's position of taking firm action against members who have been found to be insubordinate.

A source in the PPP central executive council gave this information to a PELITA reporter in Jakarta yesterday. The source said that this letter of recall was sent through the leadership of Parliament since a similar letter sent directly to President Suharto on 7 January 1985 was rejected by him.

PELITA's source, who does not wish to be identified, said "The position and firm action of the general chairman of the PPP central executive council in recalling insubordinate members from Parliament are serious measures, and all of the consequences have been taken into account."

When asked if the dispatch of this letter of recall represented a continuation of "ball kicks" that were controlled by the PPP general chairman, the source said, "This ball must go into the opponent's net." He added, "Basically, we are the side that is attacking now."

When the source was asked if only these two members (Syarifuddin Harahap and Achda) were being recalled he said that Murtadho Makmur and Drs Ruhani Abdul Hakim also would be recalled. He said that the latter two members would not be recalled by going through the leadership of Parliament because this method already had been pursued but had not been followed up, and that the PPP central executive council had sent a letter to the president on the same day for this purpose. The source, asking that his name not be mentioned, said, "It is clear that these four members have violated the rules of the game and have been found to be insubordinate."

Reasons for Recall

The source said that the reasons for recalling Drs Syarifuddin Harahap and Drs H.B.T. Achda were set forth clearly in the letter that was sent to the leadership of Parliament. (He described the letter as an important letter with several appendices.)

These reasons include the fact that both members have made statements opposing the resolutions adopted by the First Congress of the PPP in Ancol on 20 August 1984. They also are trying to form a rival central executive council to replace the PPP central executive council that was approved by the First Congress. Also, Drs Syarifuddin Harahap is deliberately cooperating with outsiders (persons who are not PPP members) to undermine the authority of the PPP central executive council and its leader, Dr H.J. Naro, SH.

"Basically, all the reasons that have been given are strong enough to recall these four members, and especially Syarifuddin and Achda," he said.

The source confirmed that the PPP central executive council has decided that Syarifuddin and Achda will be replaced by Muhammad Buang and H. Muhammad Baidhowi. "The replacements have already received clearance," he added.

The source also said that the support of various PPP zone executive councils was obtained early in December 1984 because these councils succeeded in consolidating their ranks at that time. In response to the observation that the zone conferences had just been held, the source said that the holding of these conferences was just a formality. "All of them have supported the leadership of Naro from the beginning," he said.

When asked what the PPP central executive council would do if the president rejects its request to recall the four PPP members, the source said that the president is fully entitled to accept or reject the request. "We are sure that the president will support the side that is right," he added.

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CSO: 4213/171

INDONESIA

STATE CONGLOMERATES CONTROL FINANCIAL BUSINESS

Jakarta KOMPAS in Indonesian 15 Feb 85 p 1

[Text] Financial business in Indonesia is now and will continue to be controlled by conglomerates, although small financial institutions can continue to exist if they perform their functions capably and efficiently.

This was the view expressed by Christianto Wibisono, the director of the Indonesian Business Data Center (Pusat Data Business Indonesia), at Hotel Sari Pacific on Thursday [14 February] when talking to reporters about the fourth edition of "Financial Profile of Indonesia" (Profil Keuangan Indonesia), which he is publishing.

He said that financial conglomerates such as banks, insurance companies, nonbank financial institutions, leasing companies and money changing (foreign exchange) firms control financial business in Indonesia, particularly where large-scale and complex financing arrangements are involved.

State Has Majority Control

State-owned business enterprises continue to control the largest share of the financial business. The banking world is controlled by government banks, the so-called "Seven Samurai," namely, Bank Negara Indonesia 1946, Bank Bumi Daya, Bank Dagang Negara, Bank Ekspor-Import Indonesia, Bank Pembangunan Indonesia, Bank Tabungan Negara and Bank Rakyat Indonesia. They control 80.1 percent of all bank assets in Indonesia and also a large part of the funds, loans, liquid assets, earning assets and net worth [of state-owned companies?].

Privately-owned national banks control only 13.2 percent of all bank assets; foreign banks control 6.7 percent.

These government banks, along with Bank Indonesia, own insurance companies, nonbank financial institutions and leasing companies but they do not own any money changing firms. (Bank Dagang Negara and Bank Ekspor-Import Indonesia do not own insurance companies, Bank Pembangunan Indonesia does not own a nonbank financial institution, and Bank Tabungan Negara does not own a nonbank financial institution or leasing company.)

State control of the financial world is further increased by Pertamina, which owns both insurance and leasing companies.

This dominance becomes even greater when Bank Duta Ekonomi is included. Officially this bank has the status of a privately-owned national bank, but it is part of the PT Berdikari Group which is owned by the state. The state also has 27 regional development banks, one in each province.

Private Conglomerates

The fourth edition of the "Financial Profile of Indonesia," which is based on data through 30 June 1984, also describes the three largest financial conglomerates that are privately owned.

The largest conglomerate is the Salim and Lippo Group (Sudono Salim and Mochtar Ryadi). This group owns Bank Central Asia, Bank Perkembangan Ekonomi Indonesia, Bank Perniagaan Indonesia, Bank Bhumi Bahari, four other banks in overseas locations, five insurance companies, eight leasing companies, six nonbank financial institutions and two money changing firms. All told the group owns 30 financial institutions, 20 at home and 10 abroad.

The Bumiputera 1912 Group is in second place. It owns five insurance companies, three nonbank financial institutions and one leasing company.

Third place is held by the Panin Group, which owns two banks, four insurance companies, three nonbank financial institutions and two leasing companies.

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CSO: 4213/171

INDONESIA

CHANGE IN ARMY COMMAND STRUCTURE IN WEST KALIMANTAN

Jakarta HARIAN UMUM AB in Indonesian 14 Feb 85 p 6

[Text] Korem [Komando Resort Militer/Military Area Command] 121/Kalimantan Barat, a new military area command, was officially formed in Pontianak on Saturday [9 February] in implementation of the army's reorganization plans.

After Korem 121/Alambana Wanawai and Korem 122/Setia Negara were dissolved at the end of December 1984, the commanding officer of Kodam [Komando Daerah Militer/Military Region Command] XII/Tanjungpura said that one Korem would be formed for the territory of West Kalimantan.

He explained that Korem 121/Kalimantan Barat would take over the duties and authority of Kodam XII/Tanjungpura and that the Kodam would be liquidated in the near future. Thereafter there will be only one Kodam for all of Kalimantan. This will be Kodam VI/Tanjungpura, with headquarters in Banjarmasin.

The command baton and insignia were transferred to Infantry Col H.B.L. Mantiri, the commanding officer of Korem 121/Kalimantan Barat, by Brig Gen Pardjoko at a ceremony held on the field in front of the headquarters of Kodam XII/Tanjungpura in Pontianak.

The territorial units under Korem 121/Kalimantan Barat will continue to consist of seven Kodim [Komando Distrik Militer/Military District Command] and three territorial infantry battalions.

Brig Gen Pardjoko said that, God willing, troop strength in West Kalimantan will be increased by one field artillery battalion and that the battalion will have its headquarters in Ngabang, Pontianak district.

Pardjoko also said that the basic duties of the Indonesian armed forces never change, that is, they are the core of national defense and security forces, they carry out activities to develop the national defense and security potential, and they carry out operations to establish and maintain national security.

5458
CSO: 4213/171

4 April 1985

INDONESIA

MINISTER COMMENTS ON TRANSFER OF CUSTOMS HEAD

Jakarta SUARA KARYA in Indonesian 13 Feb 85 pp 1, 11

[Text] Drs Radius Prawiro, the minister of finance, has affirmed that the transfer of Bambang Soejarto from the position of director general of Customs definitely was not due to any involvement on his part in smuggling cases or the manipulation of export certificates. Speaking to reporters following a ceremony in which the position of director general of Customs was transferred from Bambang Soejarto to the minister of finance, Radius said, "Bambang Soejarto is simply returning to duties in the Department of Defense and Security." The ceremony was held on Tuesday at the main office of the Directorate General of Customs in Jakarta.

As reported earlier by this newspaper, pursuant to Presidential Directive No 31/M/1985 of 5 February 1985 Brig Gen Bambang Soejarto has been removed from the position of director general of Customs--a post he has held for a year and a half (since 29 August 1983)--and the position has been transferred to the minister of finance, Radius Prawiro.

The removal of Bambang Soejarto as director general of Customs comes as a surprise, since Customs officials recently have been successful in uncovering and foiling smuggling activities. Following the ceremony Bambang Soejarto told reporters that 5,278 smuggling cases have been handled and 15 billion rupiah in state revenues have been saved in the year and a half that he has been director general of Customs.

He said that 60 of the smuggling cases have been turned over to public prosecutors for further investigation, but did not go into the details of these cases.

5458
CSO: 4213/171

INDONESIA

CORN PRODUCTION ESTIMATED AT 2.4 MILLION TONS

Jakarta KOMPAS in Indonesian 13 Feb 85 p 2

[Text] After reporting to President Suharto at the president's residence on Jalan Cendana on Tuesday morning [12 February], Minister of Agriculture Engr Achmad Affandi said that it is hoped that the area planted in corn in 1984/85 planting season can be increased to 1,084,619 hectares so that corn production can be increased.

In January of the 1984/85 planting season the area planted in corn was down 301,673 hectares from the figure for January of the 1983/84 planting season. In January of the 1983/84 planting season 1,161,292 hectares had been planted in corn, but in January of the 1984/85 planting season only 859,619 hectares had been planted.

This difference was caused by the shift in the season. If the shortage is not made up quickly it will become even greater, and therefore the planting of corn must be immediately increased in the 1984/85 planting season. Plans have been made to plant 100,000 hectares in February and 125,000 hectares in March for a total of 1,084,619 hectares in this planting season.

Based on an estimated output of 21.53 quintals per hectare, corn production for this season will reach 2,421,180 tons. This is 244,180 tons less than the targeted figure. Affandi said that it is expected that this shortage can be covered by substituting local varieties of corn and promoting the development of the C-1 strain. Local varieties will be planted on 302,625 hectares and the C-1 strain on 68,000 hectares in the 1984/85 and 1985 planting seasons. This is expected to increase production by 438,605 tons, with local varieties providing 302,605 tons (1 ton per hectare) and the C-1 strain 136,000 tons (2 tons per hectare).

The harvest will be exported and imports of corn will be used to meet any local shortages. The minister said that the important thing is that exports exceed imports, noting that 150,000 tons were exported in 1984 and only 9,000 tons imported.

5458
CSO: 4213/171

LAOS

ACHIEVEMENTS IN EXPLOITING POTENTIAL, ECONOMIC DEVELOPMENT

Hanoi KE HOACH HOA in Vietnamese Dec 84 pp 23, 24

[Article by Vuong Kha Ha: "On the Ninth Anniversary of the Founding of the Lao People's Democratic Republic: Initial Steps In Exploiting the Potential and Developing the Economy and Society In Socialist Laos"]

[Text] 1. The Lao People's Democratic Republic was founded 9 years ago on 2 December 1975. During the past 9 years, building and defending the fatherland, the people of fraternal Laos have scored notable achievements in restoring and developing the economy and society and profoundly changed the face of the country. While it once had to import grain, today, Laos has virtually solved the food problem. Hundreds of agricultural cooperatives have been established. They are using new farming methods, applying the scientific and technical advances and actively building water conservancy projects and improving the fields. Hundreds of factories and enterprises have been restored and built. There has also been great expansion in the fields of culture, education and public health.

Of course, these achievements are just the initial steps as compared with the great potential (which can be said to be inexhaustible) that can be exploited to support socioeconomic development in Laos. Speaking of this potential, the first things that must be mentioned are the land, forest and natural resource factors, which have been investigated only recently. The total natural area of the Lao People's Democratic Republic is 23.6 million hectares, of which 70-80 percent is hills and mountains. There are 16 million hectares that can be used for forestry operations. The mature forests have timber reserves exceeding 1 billion cubic meters. The high plateaus, which total more than 1 million hectares in area, are well suited to growing industrial crops and raising livestock. Laos has 11,066,000 hectares of forests, mainly mature forests. There are 4,400,000 hectares of production forests and more than 6 million hectares of protected forests. Hundreds of millions of cubic meters of timber can be cut each year. This includes good types of timber such as *Celtis sinensis*, redwood, *Thuja orientalis*, mahogany, "sang le," ironwood, teak and pine. There are also various types of valuable forest animals. Each year, Laos can produce thousands of tons of kamala and pine resin for export.

There are more than 5 million hectares of agricultural land. In the three large lowland areas (Savannakhet, Champasak and Vientiane) comprising almost 2 million hectares, intensive cultivation can be carried on in order to increase wet rice yields. At present, Laos is using approximately 800,000 hectares to grow rice. Yields total 1.1-1.2 million tons of paddy a year. Laos is using 750,000 hectares of pasture land and 50,000 hectares of ponds and lakes. There is much potential for expanding animal husbandry and the raising of fresh-water fish.

Besides this, Laos also has a number of valuable mineral products. The Mekong River can supply 20-26 million kilowatts of electricity, 13 million kilowatts in Laos alone. The mineral products are distributed throughout almost all the provinces. For example, there is iron in Sam Neua and Xieng Khouang, coal in Vientiane, Xieng Khouang and Saravane, copper in Sayaboury, Champasak, Vientiane and Luang Prabang, gypsum in Savannakhet, potassium in Vientiane, rock salt in Savannakhet, Namtha and Oudomsai, gold in Houai Sai, Champasak, Attopue and Savan, tin in Khammouan and alumina in Vientiane, Luang Prabang and Boloven. There are a number of mines that are in operation. For example, in Khammouan, approximately 1,500 tons of tin are mined a year; at the Ban Con mine, about 6,000-7,000 tons of salt are produced each year; and about 10,000 tons of gypsum are mined each year. Coal mining is in the test stage. More attention will be given to potassium in the 1986-1990 plan.

At present, Laos has approximately 11,000 km of highways (1,500 km of paved roads). The longest road, Highway 13, is 1,245 km long. It runs along the Mekong River from Luang Prabang to Ha Lao near the Cambodian border. Highway 9 (246 km long), Highway 8 (150 km) and Highway 7 (279 km) are the roads that run from Laos to Vietnam and that connect with highways 9, 8 and 7 in Vietnam to the coast.

The waterway system of the Mekong River, which runs for 1,560 km from Mien Dien to Cambodia, can be used by ships with a capacity of 30-100 tons. However, using the river is inconvenient and requires that attention be given to the section of the river and the season since there are many rapids.

2. At the beginning of 1984, the population of Laos was 3,524,000. Of these, 1,751,000 were of working age. About 105,000 people worked in the state sector, with the working force totalling 36,800. The population growth rate was 2.4 percent. The national income in current prices was 16,505 million kip, with group A accounting for 1,317.9 million kip. The value of gross agricultural production in fixed prices was 9,465 million kip--5,697 million kip for crop growing and 3,768 million kip for animal husbandry. Construction investments of the state totalled 4,907 million kip. Total commodity turnover was 9,130 million kip, with 3,040 million kip accounted for by the organized markets.

Agriculture: The cooperativization movement was launched in 1975. By 1982 there were 1,943 cooperatives, and a total of 86,711 families, or 17 percent of the farm families, and 20 percent of the field area were in collectives. Laos has given much attention to developing the state-operated economic elements. It has built 31 state farms. Of these, 8 are managed by the central echelon, 13 by the localities and 10 by the military. A system of stations has come into being. The stations include the rice and corn stations at Savannakhet and Na Pooc and the fish-chicken-hog station at Tha Ngon. In 1984, the grain crop area was 784,000 hectares, of which 703,000 hectares were planted in rice. The grain yield was 1,239,500 tons, with paddy accounting for 1,200,000 tons. There were 26,630 hectares planted in food crops and 35,000-36,000 hectares planted in industrial crops, including cotton, peanuts, sugar cane, tobacco, tea and coffee. Thirty-five percent of the area, 150,000 hectares, was irrigated.

Forestry: Each year, approximately 140,000 to 200,000 cubic meters of timber is cut, and 20,000-30,000 cubic meters is exported. About 20,000-30,000 cubic meters of plywood is produced. Besides this, thousands of tons of valuable forest products are obtained for domestic consumption and export.

Industry: There are 177 state enterprises out of a total of almost 400 enterprises ranging in size from 200 to 1,000 workers. These include enterprises in the timber milling sector, the coffee, fresh-water fish and tobacco processing sectors, the machine, brick and livestock feed sectors and the pharmaceutical sector, which has a capacity of 7,000-8,000 doses a year. Electricity output is more than 800 million kilowatts per year. More than 1 million meters of cloth is produced each year, and small quantities of such things as powdered detergent, rock salt, anthracite and ground coffee is produced.

The artisan industry: Weaving, spinning, the production of articles made of hides, food processing and the production of art objects have been restored and are expanding greatly in the localities.

Communications and transportation: During the past 3 years, more than 300 km of highways have been repaired. About 150 new bridges have been built, and 300 old bridges have been repaired. The transport capacity is 43 million ton-kilometers per year. During the past 3 years, the volume of state commodities transported increased 1.3 times in tonnage and 2.1 times in ton-kilometers. The volume of goods transported from Laos to Vietnam increased from 2,800 tons in 1981 to 40,000 tons in 1982 and to 80,000 tons in 1983.

The mechanized construction forces have 652 machines and sufficient capabilities to construct 100 km of roads per year with 4,670 cadres and workers.

Construction: During the period 1981-1984, with the help of Vietnam, Laos repaired and built almost 30,000 square meters of storehouses and almost 40,000 square meters of civil-use projects (housing, hospitals and schools). Almost all of these have been put into use. Laos has also built a number of water conservancy and hydroelectric projects and a number of small industrial enterprises.

Commerce-circulation and distribution: Laos has organized central specialized corporations such as food and import-export corporations. Throughout the country, there are 290 state stores, 336 marketing cooperatives and 150 contract service installations. Purchasing power has increased approximately 7.5 times as compared with that prior to 1980. [The value of] yearly imports-exports has reached tens of millions of dollars, mostly electricity, timber, coffee and tin.

Public health and education: By the end of 1983, there were 608,300 general students. There were 4,309 college students and 10,997 middle school students. There were a total of 10,045 hospital beds and 273 doctors. A total of 503,000 books and 6,268,000 newspapers were printed.

With the initial achievements that have been scored, the people of fraternal Laos are eager to implement the 1985 plan and the 1986-1990 5-year plan. In this 5-year plan, the Lao People's Democratic Republic has targetted a notable rate of increase for the material and technical bases of socialism. Many state enterprises, particularly bases to support the production and processing of agricultural and forestry products, will be built and put into operation. In agriculture, Laos will continue to promote the cooperativization movement, accelerate the water conservancy transformation process and build a number of high-producing rice areas. At the same time, attention will be given to expanding the communications and transportation network.

11943
CSO: 4209/287

LAOS

BRIEFS

WOMEN'S DELEGATION TO CUBA--Vientiane, 28 February (OANA-KPL)--A delegation of the Lao Women's Union [LWU] led by Mrs Phetsamon Lasasimma, member of the LPRP CC, vice-president of the LWU, left here yesterday for the Republic of Cuba to attend the Fourth Congress of the Cuban Women's Federation which will be held in Havana from 5 to 7 March. Seeing the delegation off at Wattai Airport were Thitsoi Sombatdouang, alternate member of the LPRP CC, chairman of the Lao Federation of Trade Unions, and other senior officials. M.U. Garcia Vazquez, Cuba ambassador to Laos, was also present at the send-off. [Text] [Vientiane KPL in English 0853 GMT 28 Feb 85 BK]

MEDIA DELEGATION TO VIETNAM--Vientiane, 1 March (KPL)--A delegation of the Lao radio and TV led by its director Bouaban Yolakhoun, who is also vice-chairman of the State Committee for News Agency, Newspaper, Radio and TV, left here yesterday on a friendship visit to the Socialist Republic of Vietnam. The delegation was farewelled at Wattai Airport by Bounteng Vongsai, vice-chairman of the State Committee for News Agency, Newspaper, Radio and TV, and general director of KPL. Dam Xuan Dung, economic counselor of the Vietnamese Embassy to Laos, was also present at the send-off. [Text] [Vientiane KPL in English 0915 GMT 1 Mar 85 BK]

FRENCH ASSEMBLY DELEGATION RECEIVED--Vientiane, 1 March (KPL)--Souphanouvong, president of the republic and the PSA, received here yesterday a delegation of the French National Assembly. During the warm and cordial meeting, President Souphanouvong talked about the Lao people's achievements in national construction in the past 10 years and discussed with his guests other issues of mutual interest. During its stay in Laos, the French delegation called on Khamphai Boupha, first deputy-minister for foreign affairs, and other senior Lao officials. The French delegation arrived here on 25 February on an official friendship visit and left on 28 February. [Text] [Vientiane KPL in English 0907 GMT 1 Mar 85 BK]

KAYSONE PHOMVIHAN ADDRESSED ASSEMBLY--Vientiane, 1 March (OANA-KPL)--While addressing the annual general assembly of Vientiane yesterday, General Secretary Kaysone Phomvihan appealed to all Vientianese to raise their vigilance over the enemies' dark maneuvers and actively join in building Vientiane City. He congratulated the Vientiane population on the remarkable achievements they scored last year in all fields--political, economic and cultural. "We owe these successes to the great contribution of the heroic Vientiane inhabitants

on the one hand, and to the clear-sighted leadership of our party on the other," said Kaysone Phomvihan. The general secretary also spoke of the world situation with emphasis on regional tension caused by the Beijing hegemonists and expansionists and the Thai reactionary circle. [Text] [Vientiane KPL in English 0904 GMT 1 Mar 85 BK]

POLISH TRADE DELEGATION--Vientiane, 7 March (OANA-KPL)--Phoumi Vongvichit, Political Bureau member of the party CC, vice-chairman of the Council of Ministers, received here yesterday a delegation of the Polish trade ministry led by its deputy-minister Wladyslaw Gwiazda on a current visit here. The two sides exchanged views on further cooperation between Laos and Poland, especially in the economic and cultural spheres. Earlier on the same day, the Polish delegation met with Lao trade officials. They discussed matters of cooperation and trade between the two countries for 1985 and for the Second 5-Year Plan. The Lao side will provide Poland with agricultural and handicraft items and will receive industrial products from Poland. Jozef Puta, Polish ambassador to Laos, was present on both occasions. The Polish delegation arrived here on 5 March. [Text] [Vientiane KPL in English 0901 GMT 1 Mar 85 BK]

REFRESHER COURSE--Vientiane, 2 March (KPL)--The Ministry for Foreign Affairs recently organized a 6-months refresher course for 46 cadres. Among those present at the closing ceremony were Phoun Sipaseut, Political Bureau member of the LPRP CC, vice-chairman of the Council of Ministers, minister for foreign affairs, Soulivong Phasitthidet and Inpong Khaignavong, deputy-ministers for foreign affairs. On this occasion, Phoumi Nilavong, director of the foreign relations school, gave a report on the school's achievements in the past 6 months. In his speech, Phoun Sipaseut highlighted the achievements of this course. He also spoke of the present international and internal situations, and urged the delegates to unite more closely together in their common efforts for socialist construction in Laos. He wished them success in their future work. [Text] [Vientiane KPL in English 0905 GMT 2 Mar 85 BK]

DELEGATION RETURNS FROM AFRICA--Vientiane, 4 March (OANA-KPL)--A Foreign Affairs Ministry delegation led by its deputy-minister, Souban Salitthilat, on 28 February, returned here after ending its visits to Egypt, Congo and Libya. The Lao delegation during its tour met with senior foreign affairs officials of the host countries where international issues and other questions of mutual interest were exchanged. [Text] [Vientiane KPL in English 0916 GMT 4 Mar 85 BK]

DELEGATION LEAVES FOR SRV--Vientiane, 4 March (KPL)--A delegation of the Finance Ministry led by its minister, Gnao Phonvantha, who is also member of the LPRP CC, on 2 March, left here for the Socialist Republic of Vietnam for a visit of friendship. Bidding farewell to the delegation at the airport were Boumlit Khennavong, deputy-minister of finance, and other officials. [Text] [Vientiane KPL in English 0918 GMT 4 Mar 85 BK]

HANOI TRADE DELEGATION ARRIVES--Vientiane, 8 March (KPL)--Khambou Sounisai, member of the LPRP CC, Mayor of Vientiane, received here on 6 March a Vietnamese trade delegation led by (?ngo) San, deputy-director of the Hanoi

Import-Export Service. During the meeting, K. Souisai hailed the delegation's visit as contributing to broadening trade between the two capital cities. [Text] [Vientiane KPL in English 0910 GMT 8 Mar 85 BK]

GEOLOGICAL COOPERATION WITH SRV--Vientiane, 12 March (0ANA-KPL)--A memorandum on geological cooperation between Laos and Vietnam was signed here on 10 March. In their meeting, the two sides reviewed their geological work in 1984 and adopted a new action plan for 1985 and the following years. Signatories to the memorandum on the Lao side were Soulivong Dalavong, deputy-minister of industry, handicraft and forestry, and the Vietnamese side, by Pham Quoc Tuan, head of the General Department of Geology. Also in Attendance were Kham-Ouan Boupha, Lao first deputy-minister of industry, handicraft, and forestry, [and] cultural representative of Vietnam to Laos. [Text] [Vientiane KPL in English 0921 GMT 12 Mar 85 BK]

FRONT DELEGATION RETURNS--Vientiane, 6 March (KPL)--A delegation of the Lao Front for National Construction led by its vice-chairman Boualang Boualapa, member of the LPRP CC, head of the front committee of the party, returned here on 4 March from Warsaw after attending the Fifth International Front Conference. After visiting the Polish People's Republic, the delegation also toured the German Democratic Republic, the Czechoslovak Socialist Republic and the Hungarian People's Republic. The delegation was met on its return at Wattai Airport by Nhiau Lobaliayao, vice-chairman of the LFNC, Jozef Puta, Dr Laszlo Rosta, and Dr Ladislav Kocsis, respectively Polish, Hungarian and Czechoslovak ambassadors to Laos. [Text] [Vientiane KPL in English 0920 GMT 6 Mar 85 BK]

FRIENDSHIP DELEGATION TO CAMBODIA--Vientiane, 6 March (KPL--A delegation of the Lao-Kampuchean Friendship Association led by its vice-chairman Kou Souvannamethi, minister of justice, left here on 4 March on a friendly visit to the Poole's Republic of Kampuchea. Seeing the delegation off at Wattai Airport were senior officials of the association, and Chhong Toeng, charge d'affaires a.i. of the Kampuchean Embassy in Laos. [Text] [Vientiane KPL English 0923 GMT 6 Mar 85 BK]

MEETING WITH SOVIET JOURNALISTS--Vientiane, 13 March (KPL)--A "round-table" discussion was held at the Soviet cultural center between Lao and Soviet journalists. In attendance were Thongsavat Yamani, vice-president of the State Committee for News Agency, Newspapers, Radio and Television, Chanthon Thiangthepvongsa, vice-president and also secretary general of the Lao Journalists' Association, and G. Ghevelev [name as received], cultural attache of the Soviet Embassy to Laos. The main topic discussed on this occasion was the 40th anniversary of the victory over the German fascists and Japanese militarists. The participants also exchanged views on the preparations for the celebration of the two historical days of Laos--the 30th anniversary of the LPRP (22 March) and the 10th anniversary of the Lao PDR (2 December). [Text] [Vientiane KPL in English 0919 GMT 13 Mar 85 BK]

SOVIET PUPPET TROUPE ARRIVES--Vientiane, 11 March (KPL)--A visiting Soviet puppet troupe gave its first performance at the national theatre here on 8 March, to over 1,000 Vientianese. It was also attended by staff members of

4 April 1985

the Soviet Embassy and Soviet experts working here. The troupe arrived here on 7 March and will give its last show tonight at the brewery factory (12 km from Vietniane). [Text] [Vientiane XPL in English 0915 GMT 11 Mar 85 BK]

AMITY DELEGATION RETURNS--Vientiane, 15 March (OANA-KPL)--A delegation of the Lao-Kmapuchean Friendship Association led by its vice-president Kou Souvannamethi, minister of justice, has returned here from a week-long visit to Kampuchea. During its stay there the delegation conferred with officials of the Kampuchea-Lao Friendship Association on ways to further tighten of friendship between the two countries. The delegation called on Chea Sim, Political Bureau member of the PRPK CC, president of the National Council of the United Front for Construction and Defence of the Kampuchean Fatherland. The delegation also attended the opening ceremony of a Kampuchea-Lao Friendship hamlet in Kandal Province, and toured various economic and cultural bases. [Text] [Vientiane KPL in English 0914 GMT 15 Mar 85 BK]

NEW ENVOY TO USSR RECEIVED--Vientiane, 13 March (KPL)--Kaysone Phomvihan, general secretary of the LPRP CC, chairman of the Council of Ministers, received here yesterday Thongsavat Khaikhamphithoun, member of the LPRP CC, newly appointed ambassador to the Soviet Union. Kaysone Phomvihan gave his personal advice to the new ambassador, asking him to do his best to contribute to consolidating the fraternal friendship and all-round cooperation between the parties, governments and peoples of the two countries. [Text] [Vientiane KPL in English 0916 GMT 13 Mar 85 BK]

OUTGOING NZ ENVOY--Vientiane, 14 March (KPL)--Phoun Sipaseut, vice-chairman of the Council of Ministers, minister for foreign affairs, received here yesterday Raymond Leslie Jermyn, New Zealand ambassador to Laos, at the end of his diplomatic mission here. During the warm and cordial meeting Phoun Sipaseut wished the ambassador success in his new mission. Raymond Leslie Jermyn started his diplomatic mission here on 14 November 1981 and resided in Bangkok, Thailand. [Text] [Vientiane KPL in English 0904 GMT 14 Mar 85 BK]

SRV TRADE DELEGATION--Vientiane, 15 March (KPL)--General Sisavat Keobouphan, secretary of the LPRP CC, minister of interior and secretary of the Vientiane party committee, received here on 13 March a Vietnamese delegation led by Ngo San, deputy director of the Hanoi Import-Export Service. During the warm and cordial meeting, they talked about trade cooperation between Vientiane and Hanoi. The delegation left here for home on 14 March. [Text] [Vientiane KPL in English 0908 GMT 15 Mar 85 BK]

HUNGARIAN EXHIBITION--Vientiane, 15 March (OANA-KPL)--The Ministry of Culture, in collaboration with the Hungarian Embassy, opened here yesterday a photo exhibition to mark the 40th anniversary of the victory over Hitler fascism (4 April). Present on the occasion were Phoumi Vongvichit, Political Bureau member of the LPRP CC, vice-chairman of the Council of Ministers; Mrs Thongvin Phomvihan, member of the LPRP CC, acting first secretary of the Lao People's Revolutionary Youth Union; Thitsoi Sombatdouang, alternate member of the LPRP CC, president of the Lao Federation of Trade Unions; Pheli Khounlaleuk, deputy-minister of culture; and other senior officials. Rosta Laszlo, Hungarian ambassador, other diplomatic envoys of socialist countries, and other

senior officials. Rosta Laszlo, Hungarian ambassador, other diplomatic envoys of socialist countries, and representatives of international organizations in Laos were also present. Pheli Khounlaleuk and Rosta Laszlo delivered speeches at the opening ceremony. The same day, the Hungarian Embassy also held a press conference for the same purpose. [Text] [Vientiane KPL in English 0921 GMT 15 Mar 85 BK]

CSO: 4200/646

NEW ZEALAND

DOUGLAS LEADS DEBATE ON ECONOMIC POLICIES

Christchurch THE PRESS in English 31 Jan 85 p 16

[News Analysis by Michael Hannah: "Government Prompting Debate on Policies"]

[Text]

Shortages of finance, leading to rationing and queues for investment and loan money, are the alternatives to the Government policies which have pushed up prices and interest rates, according to the Minister of Finance, Mr Douglas.

Mr Douglas's opening of the New Zealand Futures Exchange last week set the stage for an attack on critics of his policies, to free up financial markets at the cost of rising inflation and interest rates.

Last week's speech, with its dire warnings, was just part of a consistent attempt by several Cabinet Ministers recently to appease traditional Labour supporters worried by the free-market trend of Government policies.

After catching flak on last year's Budget from party supporters, the Labour Party's President, Ms Margaret Wilson, promised a debate on the economy for this year.

Ministers have not been slow to lead the debate. From the "State of the Nation" speech, by the Prime Minister, Mr Lange, and a similar effort from his deputy, Mr Palmer, the Cabinet has been zealous in leading the first sally into the party.

Mr Douglas himself has pulled no punches. He has launched into critics who have labelled his policies as "monetarist," but he has gone further and painted as bleak a picture as possible of the alternatives to his approach.

Observers last year became accustomed to being told by economists that the devaluation in July was necessary if the country was to avoid eventual stringent controls from the International Monetary Fund. That argument has waned, to be replaced by Mr Douglas's latest warning that,

without his policies, New Zealand faces rationing and queues for finance.

He has even drawn on the mantle of earlier Labour Ministers of Finance, Sir Walter Nash and Sir Arnold Nordmeyer, in his latest effort to convince Labour supporters of his credentials, comparing his policies with what he termed their "sound money" policies.

His message last week, delivered in Auckland, was relayed to audiences in Christchurch and Wellington through Mr Palmer and the Minister of Trade and Industry, Mr Caygill, when they opened futures exchanges in those centres.

Their argument can expect a less-than-friendly response from some quarters, however. To refer to "fluctuations" in prices and interest rates, as Mr Douglas did last week, when consumers have seen only rises and no falls, is to invite reaction. Consumers will want to see some easing at least in the cost of living before they accept the Minister of Finance's view that "fluctuations" are "not an unhealthy phenomenon."

Meanwhile, Mr Douglas can only ask them to accept his argument on faith, and try to persuade them that the alternatives are just too bad to even contemplate.

"The alternative to flexible prices is shortages of finance, and the development of rationing and queues. This is a much less attractive option," he said last week.

The debate is essential for the Government, not so much to justify what it has already done in loosening controls and regulations, but to win support for what it has yet to do.

Freeing up the exchange rate to a managed float, probably in April, continuing the easing of import controls, and shifting to an indirect

Goods and Services Tax, all put at risk the Government's support, particularly among the dominant protectionist elements in trade unions. Ironically the Government has little difficulty in persuading non-traditional supporters in business of the wisdom of its economic strategy.

Floating the dollar and allowing more, albeit dearer imports in, though, could threaten the viability of some businesses, used to a more protected environment. If they are threatened, then jobs are jeopardised.

The G.S.T., moreover, will simply add to the cost of living, and trade unions have still to be persuaded that non-negotiable, Government-imposed tax cuts and welfare benefits are a fair Compensation.

The new futures exchange demanded some justification from Mr Douglas last week, especially as three Ministers were associated with the opening of the exchanges.

Mr Douglas conceded that some people might wonder what a Labour Government was doing endorsing the futures trading market, which had "connotations of unproductive greed and speculation."

"What the futures market does is to simply specialise the function of risk taking, as distinct from other business activities. It is not socially desirable nor economically efficient to prevent much diversification of risk to take place," he said.

Comparing the futures trading market with the insurance industry, he said:

"Just as businesses have for many years been able to insure the productive side of their business against fire, they can now insure the financial side of their business against exchange risk, or interest rate changes."

Free markets, Mr Douglas argued, were more efficient and

permitted greater price movements and hence price risk.

Mr Douglas was asking his audience to "wait and see" the proof of his policies. He maintained that the benefits of improving the efficiency of markets would be found in the range of services provided and in reduced costs, which would spread throughout the economy, assisting gains in competitiveness which were vital for growth in the economy and jobs.

Turning to critics of his policies, who had labelled him "monetarist," Mr Douglas said the difference between the Government's policies and monetarism was that the Government was not pursuing rigid targeting.

"Flexibility and careful interpretation of economic conditions is the name of the game," he said.

"Second, monetary policy is being supplemented by Government participation in wage-fixing. Third, the Government is not interested in driving the economy into a tailspin in the pursuit of a single economic objective."

Mr Douglas said the Government was pursuing all its economic objectives in a "balanced, co-ordinated and consistent" manner.

"The fact that what the Labour Government is doing is seen as unusual is really a commentary on where the country was heading under the National Party," he said.

If he had to put a label on Labour's economic strategy, Mr Douglas preferred to describe it as "a sound money Government."

It was here that he invoked the names of Nash and Nordmeyer, who "adopted sound money policies as keystones in their successful economic strategies." The argument may sound a little stretched, as the first and second Labour Government's were also associated with the protectionist measures the fourth Labour Government is busy dismantling.

Of his own policies, Mr Douglas said:

"No economic strategy can be successful if a dollar in a year's time is not worth something close to a dollar now."

Monetarism postulated a stable relationship between broad monetary aggregates and the price level, he noted. Monetarist policies therefore were designed to target monetary growth rates to a narrow range of figures so as to control inflation and the growth in nominal, or money, incomes.

However, overseas experience showed that monetary authorities had found it hard to keep the growth of aggregates continuously within a targeted range. Financial innovations and changes to financial regulations had continuously altered the underlying relationships, and changes in inflation rates and interest rates had also caused considerable volatility.

The United States had changed the emphasis it gave to different monetary aggregates, and Britain had all but abandoned monetary targets.

"As the overseas experience has shown, simplistic rules as proposed by the monetarist school are not appropriate, especially when such rapid changes are occurring in the financial sector," Mr Douglas said.

The Government was taking a "flexible but firm" stance on monetary policy, complemented by a system of tripartite wage negotiations, which reduced the arbitrary and unpredictable interventions which occurred in the past, without making for totally free wage bargaining.

The monetarist school, however, saw no role at all for Government in the fixing of wages, he said.

Mr Douglas maintained that successful Governments in the developed world were moving towards increasingly competitive and deregulated markets, and attempted at least to maintain firm monetary policies.

CSO: 4200/642

NEW ZEALAND

MCLAY ANNOUNCES NATIONAL PARTY SHADOW CABINET

Names, Portfolios Listed

Wellington THE EVENING POST in English 29 Jan 85 p 1

[Text] **Three MPs will share the finance portfolio in the National Party shadow cabinet announced today by the Leader of the Opposition, Mr McLay.**

Head of the troika will be Mr Bill Birch, former Minister of Energy.

Mr McLay will be opposite the Prime Minister, taking responsibility for foreign affairs and the Security Intelligence Service.

Mr Birch retains his No 3 ranking, but gains the finance and policy co-ordination responsibilities. His former energy role goes to New Plymouth MP Mr Tony Friedlander, who rises from 11th to ninth ranking.

Mr Birch's deputy will be Pahiatua MP and former Associate Minister of Finance Mr John Falloon, who rises from 10th to seventh place and also picks up the overseas trade portfolio.

Manawatu MP and junior whip Mr Michael Cox rises from 15th to 12th and is the associate finance spokesman, completing the finance troika.

Sir Robert Muldoon, Mr McLay said, had turned down an offer of spokesmanship and remains without specific responsibility in 17th ranking.

The deputy leader of the Opposition, Mr Bolger,

picks up the trade and industry, legislative and party headquarters liaison roles while former Minister of Overseas Trade and Foreign Affairs, Mr Warren Cooper, gets national development, regional development, resource allocation, industrial development and, South Island development.

The former Minister of Health and of Transport, Mr Gair, collects the labour and employment responsibilities. The former Minister of Social Welfare, Mr Venn Young, keeps that responsibility.

Sinking

As expected, former Minister of Education and long-time Muldoon supporter, Mr Merv Wellington, has been dropped from the Opposition front benches and loses his health spokesmanship. He is left in 10th ranking, down from eighth, and gets local government and urban issues.

His former cabinet colleague, the former Minister of Tourism, Mr Rob Talbot, drops 19 places in the cabinet ranking and is

left as horticulture spokesman.

The associate agriculture spokesman and Tarawera MP Mr Ian McLean makes a massive 13-point rise in seniority to take the agriculture post.

Whangarei MP Mr John Banks rises three points to take Mr Talbot's tourism role.

Other key shifts in roles are:—

- Paul East, MP for Rotorua, promoted from 18th to 15th to pick up attorney general, justice, constitutional issues and official information.

- Ruth Richardson (Selwyn), up nine places in the education spokesmanship.

- Phillip Burdon (Fendalton), health.

- Winston Peters (Tauranga), transport.

Women

There is no women's affairs spokesman in the line-up, a move Mr McLay said had the endorsement of party president Mrs Sue Wood, women's vice-president Mrs Pat Morrison, and the two National women MPs, Ms Richardson and Mrs Katherine

O'Regan.

All portfolios would have responsibility for women, Mr McLay said.

Mr McLay also announced a new committee structure which would allow Opposition MPs to serve on more than one committee and would serve all policy areas.

List

The rest of caucus, with their jobs and ranking (with their former ranking in brackets):

Mr Don McKinnon, Rodney, Senior Whip, associate labour (industrial relations), 11 (14); Mr Robin Gray, Clutha, works and development, 13 (19); Mr Doug Kidd, Marlborough, defence, fisheries, aquaculture, 14 (20); Mr Bruce Townshend, Kaimai, state services, state corporations, immigration, 16 (22); Mr Jack Luxton, Matamata, foreign relations, Pacific Island affairs, 18 (12); Mr Roger McClay, Waikaremoana, housing, environment, 23 (28); Mr Graeme Lee, Hauraki, internal affairs, wildlife, civil defence, earthquake and war damage, misuse of drugs, 24 (27); Mr Norman Jones, In-

vercargill, police, war pensions and rehabilitation, 25 (17); Mr Neil Austin, Bay of Islands, lands, valuation, 26 (16); Mr Rex Austin, Awarua, associate agriculture (apples and pears), and fruit distributors, poultry, apiculture, pork, potatoes and vegetables, tobacco and hops, pest destruction, noxious weeds, viticulture, town milk, 27 (13); Mr Derek Angus, Wallace, forests, 29 (24); Mr Simon Upton, Raglan, arts, associate employment, science and technology, high technology, 30 (30); Mr Jim Gerard, Rangiora, broadcasting, public trust, racing industry, 31 (31); Mr Graham, Remuera, disarmament, associate trade industry, 32 (32); Mr Dennis Marshall, Rangitikei, associate agriculture (meat and wool), 33 (33); Mr Roger Maxwell, Taranaki, Post Office, Government Life, State Insurance, friendly societies, 34 (34); Mrs Katherine O'Regan (Waipa), consumer affairs, statistics, 35 (35); Dr Lockwood Smith, Kaipara, associate agriculture (marketing), 36 (36); Mr Rob Storey, Waikato, associate agriculture (dairying, diversification, Rural Bank), 37 (37).

'Unadventurous in New Talent'

Auckland THE NEW ZEALAND HERALD in English 30 Jan 85 p 6

[Editorial: "National's Reshuffle"]

[Text] Mr McLay has shuffled what the electors dealt, and the result is an Opposition with responsibilities substantially redistributed but largely unadventurous in new talent. Allowing for the absences of the former leader and of the Hon Rob Talbot, who plans to retire, the party's top 10 remain unchanged except for Mr Ian McLean, who leaps from 21st place to eighth to become

spokesman on agriculture.

None of Mr McLay's choices will attract more interest than that of the Hon Bill Birch to be spokesman on finance. Mr Birch is the former Minister of Energy and a leading light in the "think big" policy, but he has not attracted much public attention for a general grasp of the economy.

Mr Birch will need to step away from such extravagances as

his remark at last year's party conference that some party members worshipped the ground Sir Robert Muldoon walked on. But he is capable also of realistic and even courageous assessments such as that he made in August 1982, shortly after the freeze began, when he told a seminar in Dunedin that temporary declines in real wages were necessary if full use were to be made of labour and resources.

Mr Birch will be assisted by the Hon John Falloon as deputy and by Mr Michael Cox as associate. It is just this sort of dispersed spokesmanship, apparent in several fields of the new list (labour, employment, agriculture), that can bring problems for oppositions.

Getting party policies and viewpoints into the public consciousness requires direction and focus, but what is seen here seems a vague diffusion of voices and talents. It is an old difficulty for oppositions, and Mr McLay

seems to have found no new way round it.

The member without any assigned duties is Sir Robert Muldoon, who apparently wants to be free to pursue any lines that interest him. There are some who wonder whether Sir Robert, who is now a self-proclaimed elderly backbencher, may enjoy his new liberty by playing Heath to his leader's Thatcher.

By intention, National has no member assigned to women's affairs, preferring to assume that women's interests are covered in the generality of matters. The party has advanced Ruth Richardson from 29th to 19th and given her the key assignment of education. But it must remain an embarrassment to the party that it does not match Labour's array of parliamentary women. No doubt Mr McLay will want to give attention to the matter in the next election.

CSO: 4200/642

NEW ZEALAND

LANGE NOMINATED FOR NOBEL PEACE PRIZE

Wellington THE EVENING POST in English 31 Jan 85 p 1

[Text]

The Prime Minister, Mr Lange, has been nominated for the Nobel Peace Prize by a Swedish peace group.

The Swedish Peace and Arbitration Society nominated Mr Lange.

The society's chairman, Mr Tomas Magnusson told the "Post" today that the joint 1982 winner, the Swedish Minister for Disarmament, Mrs Alva Murdal, was nominated by the society.

Mr Magnusson said of Mr Lange: "His policy in this area (of struggle against nuclear weapons) is well known and we think that it would be a very important act by the Nobel Peace Prize committee if he was awarded this year's peace prize."

The society knew of New Zealand's ban of United States warships carrying nuclear weapons. "What is happening now is very important in New Zealand and I think the situation in New Zealand is really important for us all."

The society was formed in 1883 and is thought to be the oldest existing peace organisation in the world, said Mr Magnusson.

It has 15,000 individual members in Sweden and is the largest peace group there, he said.

The group has recently organised large demonstrations against deployment of nuclear

weapons in Europe, and campaigned against Swedish arms export.

NZ peace campaigner Mr Owen Wilkes said the society was a large and well-respected organisation.

Visit

The body has strong links with trade unions and has politicians as members, he said. The Swedish Government's spokesman on disarmament issues, Ambassador Maj Britt Theorin, who visited New Zealand last week, was a member.

Government made grants to the organisation and a regular newspaper employing full-time journalists was published.

Mr Lange said today he had not been made aware in advance that he had been nominated for the award.

He said the nomination was clearly in recognition of the Labour Government's policy and it was grateful that it was being recognised. However, he said he would expect there would be many nominees for the award.

As for himself, he could identify people who had made a very significant contribution to peace who ought to be considered.

The Leader of the Opposition, Mr McLay, reacted with a "no comment" to the report of Mr Lange's nomination for the award.

CSO: 4200/643

NEW ZEALAND

ARCHBISHOP: NUCLEAR STANCE WIDENS CONTEXT OF VIEWS

Auckland THE NEW ZEALAND HERALD in English 31 Jan 85 p 4

[Text]

New Zealand's anti-nuclear stance is forcing Americans to view the nuclear issue in a multi-lateral context, instead of one that involves only themselves and Russia, says the Anglican Archbishop of New Zealand, the Most Rev Paul Reeves.

Archbishop Reeves returned yesterday from a fortnight of talks with the Washington diocese of the Episcopalian Church — the United States version of the Church of England.

"One of my aims was to help these people to view the nuclear issue on a much wider scale than before," he said. "They always talk about it in bilateral terms, so I put to them the Pacific viewpoint to try to make them realise there are more countries involved than just Russia and themselves."

Appreciated Position

Archbishop Reeves was invited to address the annual convention of the Church's Washington diocese on general ecclesiastical matters.

He also spoke to the

diocese's peace commission, a group with highly placed connections in the United States Government.

"I met a considerable body of people who appreciated the New Zealand position and were not against it.

"But they do have trouble understanding it.

"I did not feel it was my place to justify New Zealand's stance, but I did say the level of public support for it here was high."

Follow Lead

Archbishop Reeves said it was important to continue stressing that an anti-nuclear stance was not an anti-American one.

"Once we pull the anti-American element out of it, we can concentrate on persuading them to follow our lead."

He was hopeful that, at the Episcopalian Church's General Convention this year, a bishop from the United States will be nominated to visit New Zealand.

Archbishop Reeves added: "What kind of practical effect I had I do not know. We will just have to keep our fingers crossed."

CSO: 4200/643

NEW ZEALAND

ARCHBISHOP ON 'INDIGENOUS PACIFIC' NUCLEAR ISSUES

Auckland THE NEW ZEALAND HERALD in English 26 Jan 85 p 4

[Text]

NZPA Washington

The Anglican Archbishop of New Zealand, the Most Rev Paul Reeves has waded into the nuclear debate in Washington, flaying "the white peace movement."

The archbishop, speaking to the Peace Commission of the Episcopalian Diocese of Washington, said the Pacific could become "a nuclear sewer."

"There is substantial truth in the proposition that peace is a white issue," he told his American listeners. "Take the international mobilisation of physicians ... They speak in eschatological terms describing what would happen if the bomb went off in London or Washington ... But what of Filipinos or Kwajaleinese

groaning now under virtual military occupation, or Aborigines and Marshallese experiencing the well-advanced genocide perpetrated on their peoples through past nuclear testing and present uranium mining?

"Nuclear war in the minds of indigenous Pacific peoples is being waged throughout their region. The end is now.

"The problem is that the white peace movement rarely suspends its agenda long enough to truly listen to Third World voices, and when it does it feels threatened by the latter's more radical analysis."

Pacific peoples had more reason than most to fear the consequences of nuclear war, the archbishop said.

CSO: 4200/643

NEW ZEALAND

PAPER REPORTS PARTY REVOLT KILLED SHIP BAN COMPROMISE

Auckland THE NEW ZEALAND HERALD in English 28 Jan 85 p 1

[Text] The Cabinet will today consider the United States request for a warship visit, with senior ministers under intense pressure from a restive section of the Labour caucus opposed to any compromise with the Americans.

The pressure started from a number of back-benchers late last week when it seemed clear the Government would not insist that the United States Government back down on its policy of neither confirming nor denying the presence of nuclear weapons on visiting craft.

The Acting Prime Minister, Mr. Palmer, has said that the Government will base its decision on intelligence gained by the Ministry of Defence and the External Intelligence Bureau.

A significant, and potentially very troublesome, group of Labour caucus hardliners on the nuclear issue are understood to be irate at the stance.

They are likely to threaten open rebellion unless the decision to admit the ship involves a public assurance by the United States that the vessel is not carrying nuclear warheads.

Views Plain

No Labour MPs contacted over the weekend would discuss the issue but several are known to have made their views plain to ministers on Friday.

Their urgent lobbying appears to have been

prompted by fears that the cabinet may decide soon to allow the visit in March of the as-yet-unnamed warship, which is thought to be conventionally powered but capable of carrying nuclear weapons.

Yesterday Mr. Palmer said a decision was unlikely to be reached at the meeting today, but he denied receiving any representations from Labour MPs on the visit.

He reaffirmed that the Government would not ask the Americans to change the neither-confirmed-nor-denied policy.

"We accept their policy on that," he said. "But we also have a policy which we will implement."

The Government's acceptance of the United States position is in line with the request made by the Australian Prime Minister, Mr Hawke, in a letter to his New Zealand counterpart, Mr Lange, two weeks ago.

The leaking of the letter last Friday may make it more difficult for the New Zealand Government to follow that line.

Mr Palmer rejected any suggestion that the letter had influenced the Government's stance.

Conclusion

"We have said we will make our independent assessment [of the ship's weaponry]," he said. "We will use all the resources available to us, both published and unpublished.

"And, when we arrive at our conclusion, we will announce whatever needs to be announced to support that conclusion.

"I do not think the New Zealand policy has anything to do with anything said by Mr Hawke."

The release of the letter's contents was likely to prove counter-productive in this country because New Zealanders would resent the appearance of outside pressure.

It is partly that outside pressure towards an Anzus-saving compromise that has galvanised caucus dissidents into action. The cabinet meeting today will feel the pressure both ways.

Some of the advice sought from New Zealand intelligence sources will be before the cabinet today, but not all of it.

Mr Palmer said the meeting would probably "discuss the general principles to be followed in a review of the whole matter." That suggests the restive backbenchers may succeed in changing the criteria on which a ship is evaluated.

CSO: 4200/643

NEW ZEALAND

FOL SUPPORTS SHIP BAN, CITES FOREIGN BACKING

Wellington THE EVENING POST in English 30 Jan 85 p 1

[Text]

International pressure being placed on New Zealand to change its nuclear-free policy is cause for serious concern, the president of the Federation of Labour, Mr Knox, said today.

"Action taken by other countries or intermediaries for other countries represents an unwelcome interference in the sovereign rights of New Zealand," he said at a press conference in Wellington. (Other Anzus stories pages 5, 7, 8).

"The Federation of Labour has already been assured of strong support from the international trade union movement against such interference, in particular from the Australian Council of Trade Unions and other Pacific trade unions."

Mr Knox said the overwhelming support of the public for the Government's policy required it to act soon to implement legislation on this question.

"The national executive (of the FoL) indicates to the Prime Minister, Mr Lange, his Government and the New Zealand Labour Party, the total support of the trade union movement for the implementation of a total prohibition of nuclear armed or powered vessels from New Zealand ports, for a nuclear-free New Zealand and for major progress towards a nuclear-free zone in the South Pacific," he said.

Mr Knox released a statement to this effect which had been agreed on at a meeting of the FoL national executive yesterday. He said the statement had been given to Mr Lange.

Answering questions, he said he did not feel the Government was softening its stance against the visit of nuclear armed ships to New Zealand.

The statement would show the Prime Minister that there was no change in FoL policy — "and we hope the Government does not change theirs."

Asked if the FoL would accept an assurance from Mr Lange that a visiting American warship was not nuclear, Mr Knox replied: "We would have to accept that the Government has inquired into it. Of course we will have to convince our members and that may be difficult in some respects."

This was because of the US policy of keeping such matters secret.

Unbalanced

Questioned on the attitude of Queensland Premier Sir Joh Bjelke-Petersen to New Zealand's anti-nuclear stance, Mr Knox described the Premier's viewpoint as "a bit unbalanced."

Mr Knox said if Sir Joh continued with trade bans on New Zealand goods the FoL would have to talk to the Government because of the threat of people being put out of work.

NEW ZEALAND

JAPANESE APPETITE FOR GOVERNMENT BONDS 'INSATIABLE'

Wellington THE EVENING POST in English 28 Jan 85 p 12

[Article by David Porter]

[Text] TOKYO, Jan 28.--The appetite for New Zealand Government bonds in the Japanese capital market was "insatiable," a banking source said here last week.

"Any New Zealand fund manager who's on the ball should be looking up here," said the banker.

New Zealand's agreement last year to float the largest yen bond issue in Japan of 100 billion yen (\$800 million) in 7.1 percent "Samurai" bonds was only one of several New Zealand fundraising efforts expected to get a good response in the Japanese market, he said.

In the Finance Ministry "queue" for the next quarter's Samurai issues was New Zealand Steel Development Corporation, the development arm of NZ Steel involved in the steel-mill expansion, which was raising 25 billion yen (\$20 million).

New Zealand Railways was also seeking an unspecified amount on the private institutional market, the source said.

The New Zealand Government issue had been heavily oversubscribed despite fears from lead managing institution Nomura Securities Co in a newspaper report in November that the bonds could prove hard to sell.

It was the Government's seventh issue of the "Samurai" bonds — issues by non-Japanese borrowers — and the downgrading of New Zealand's credit rating from AAA to AA was expected to have some effect, that report said.

Also, the rumours that NZ Steel would be coming into the market had

caused investors to balk.

Most Samurai public offerings were in the 20 to 20 billion yen area. The New Zealand Government issue was a large one, the report said.

Because Japan's cash-rich industries were not eager to borrow, the country's banks have to lend overseas and New Zealand, despite its economic problems, is considered close geographically and a known quantity.

Only Australasia, North America, the UK, Eastern Europe and Scandinavia are considered safe by Japanese investment institutions, the banker said.

The Japanese are considered the world's best savers, putting away some 18 percent of their income.

Economic planners in Tokyo like to remind trading partners — specially the US — that despite a trade surplus estimated at \$US33 billion, Japan had a capital outflow of \$US43 billion last year.

"They're looking for safe places to put their money," said another banker with an American institution in Tokyo.

Samurai rates follow the rates at which the Japanese Government set its own bond issues and around 7 to 8 percent.

NEW ZEALAND

ECONOMIC GROWTH OUTLOOK BOOSTS GOVERNMENT

Auckland THE NEW ZEALAND HERALD in English 26 Jan 85 p 6

[Tony Verdon in the "Politics" column: "Modest Growth Outlook Gives Government Boost"]

[Text] The prospect of finally setting out on a path towards a soundly based and sustainable period of economic growth was again held out to New Zealanders this week.

However, the vision was hinted at not by a Government ever eager to justify its approach to economic management, but by a team from the independent and authoritative Institute of Economic Research.

The generally optimistic medium-term outlook painted by the IER must have been comforting reading for a Government, the political survival of which largely hangs on quick results from its market-oriented "bite the bullet" economic policies.

Whether the Government has the political fortitude to withstand the inevitable flak its tight economic policies are already provoking, particularly from within its own Labour Party ranks, looks to be one of the most intriguing political questions of 1985.

Crucial To Goal

The manner in which it handles this year's internal party debate on economic policy, and then copes with the next wage

round, will be crucial in determining whether the Lange Administration can become the first postwar Labour Government to win a second term in office.

Just as crucial to that goal is the outcome of the current wage round, now moving into its second phase as house agreements are being negotiated.

There are fears that the hard-fought 6 to 7 per cent level of wage increases reached so far could be breached.

It was with this fear in the background that the Government moved so swiftly last week to scuttle the ANZ Banking Group's planned 40 per cent increase in directors' fees.

The Institute of Economic Research's medium-term review, 1984, this week emphasised the emphatic need for the Government to maintain control over wage movements.

The review covers the medium-term outlook through to 1988, and suggests there will be a mild contraction in the econ-

omy before a new upswing begins either in late 1986 or early 1987.

It forecasts modest growth in the economy throughout the next three years.

Expected Upswing

However, warnings are given that high unemployment is likely to continue, and that inflation will reach around 14 per cent for the year to March 1986, before falling to around 9 per cent the following year.

The institute suggests the Government will be able to wipe out the balance of payments deficit, currently around \$2 billion, in three years.

The economy would then be well-placed to take advantage of an expected upswing in the world economy, while benefits from many of the think big projects should also be working through.

But throughout the report the optimism is qualified by the need for the Government to maintain the tight rein on wage increases.

How the Government is to achieve this amid ballooning inflation (even if it starts to taper off in two years) — in addition to coping with the pent-up frustrations in the workforce left over from the three-year freeze — is a mystery.

Already there are clear signs that 6 to 7 per cent settlements are unlikely in the next wage round.

The Higher Salaries Commission is set to recommend much larger increases for many of those on higher scales, such as state departmental heads and members of the Judiciary.

Judges have been pressing for years for major adjustments to their pay scales, and are understood to be seeking increases above 20 per cent.

Prospects For Next Round

Senior state servants appear to be seeking increases of about 25 per cent, which admittedly compensates for a four-year period during which all of those under the commission's jurisdiction have had their salary levels frozen.

But the secretary of the Combined State Unions, Mr Barry Tucker, hinted this week that the new settlements for those on the top scales would work through to those on lower levels during the next round.

The situation presents a particular dilemma for the Minister of Finance, Mr Douglas, the architect of the Government's economic strategy.

While he will want to see the restraint so far exercised by wage and salary-earners continue through to the higher income-earners, he must also acknowledge the need to pay competitive rates for talented and highly skilled staff.

The Treasury has been among the departments

hardest-hit by raids on its highly qualified staff by private enterprise.

Private companies have been able to entice skilled people away by offering them better salary packages; unless the public service pays the "going rates" it will continue to lose top staff.

Ministers seem anxious not to get embroiled in the higher salaries argument, least of all the issue of what they themselves will receive, until the commission has completed its determinations in April.

Meanwhile, the Institute of Economic Research this week raised two general scenarios which would see the Government's financial policy aims breached:

- Government difficulty in holding down inflation enough to preserve the benefits of the 20 per cent devaluation of July last year. "Such an outcome might undermine investment confidence, leading to depressed investment and a distorted pattern of investment," it says.

- Where real interest rates rise throughout this year as monetary policy remains tight, inflation expectations remain high and the recovery in domestic activity increases the demand for money, possibly as a result of very high wage settlements. "The resulting profit squeeze and high real interest rates would discourage both business investment and durable consumption expenditures. The authorities may then review the prudence of maintaining a programme of budget deficit reduction in the face of falling output and rising unemployment," says the institute.

The clear implication in the second scenario is that the politicians may begin losing their nerve as the next election looms.

But, in spite of what the institute labels as "risks and uncertainties," it makes an optimistic assumption about the outcome of the policies.

Expansion Phase

It says that, while devaluation and budget decisions will have inflationary impacts in the short term, other factors such as monetary policy, declining budget deficits, world oil prices, wage restraint and increased competition, internally and externally, all point to easing pressure on the price level.

The institute believes that by the end of next year the economy will be in a stronger position than it has been for some time, at a stage when the world economy will be entering a new expansion phase.

Summing up the forecasts, the economists say that success on important policy aims such as reducing the budget deficit, the real exchange rate and investor confidence would be making significant contributions to a healthier balance of payments situation at a time when the structural effects of the major projects were also beginning to be felt.

Ironically, the Labour Government may well have some of its predecessor's think big projects to partly thank for helping to create a rosy economic climate on which to go to the polls.

But, to be in that position, it will have to follow consistent policies throughout its three-year term in office.

The lack of consistent policy is a factor Mr Douglas has long cited as one of the reasons for New Zealand's past erratic economic performance.

He pointed out this week that the institute was predicting sustained growth at the same time

as a sustained improvement in the balance of payments.

Certainty In Planning

Previously growth in the economy appeared to have been generated at the cost of blowing out the balance of payments. The highs and lows in economic conditions often coincided with the three-year election cycle.

A consensus about where the economy is heading, with consistent Government policies, will help the business sector to plan with more certainty.

But it seems the New Zealanders will have to buckle down as they traverse a rough economic road, at least until relief comes for most of them early next year.

CSO: 4200/ 642

NEW ZEALAND

COMMENTARY ON SOCIAL CREDIT PARTY IDENTITY DILEMMA

Auckland THE NEW ZEALAND HERALD in English 24 Jan 85 p 6

[Editorial: "Sensitivity Over Party Name"]

[Text] It is natural for Social Credit, after a loss in electoral support, to cast around for a new image. According to the leader of the party, a change of name is needed. Not for the first time, Mr Beetham expresses a preference for the title New Zealand Democratic Party.

Democracy, he says, is what the Social Credit philosophy is all about. But is it?

In the public mind, at least, the principles of the party are irrevocably linked with the Douglas monetary and economic theories.

To make true headway with voters, Social Credit must surely

either convince them its monetary ideas are sound or change their basis.

After many years of trying, the party has so far failed to win substantial support for its theories; and Mr Beetham gives no indication that it wishes to alter the policies. Indeed, he reaffirmed them on this page recently.

In such circumstances, a name change is unlikely to be the answer to the Social Credit dilemma. Something more fundamental is needed if the party is to attract a good deal more than the votes of those who are simply disenchanted with the other parties.

CSO: 4200/642

NEW ZEALAND

ECONOMIC POLICIES IMPRESS EUROPEAN BANKERS

Wellington THE EVENING POST in English 24 Jan 85 p 8

[Article by Bruce Kohn]

[Text] European bankers have been impressed by the decisiveness of new policy implementation covering economic and monetary matters, according to a leading Dutch banking executive.

Mr G E Loudon, a member of the managing directors' board of the Amsterdam Rotterdam Bank, said in an interview here that there was in general terms an increased interest in Europe in the prospects of investment in New Zealand because of the policy changes.

"We're quite impressed by the changes made in such a short time. It's not our job to say whether the policies are better or worse than before but we can say there is the general impression these policies will enhance New Zealand's standing in international capital markets.

Scarcer

"As borrowing needs start to decrease, New Zealand's credit will become scarcer in the international market and it will be able to borrow at even finer terms."

Mr Loudon said that in northern European markets of West Germany, Holland and Switzerland it had always been private investors who bought New Zealand commercial paper. "They have an emotional sympathy with New

Zealand and you have been able to place your paper on fine terms.

"There is no feeling of the right policies being followed now where previously it was felt the wrong policies were in place. But we are impressed by the decisiveness of new policy implementation."

Mr Loudon said he believed that eventually the major industrial projects undertaken by the previous Government would show out as useful additions to the nation's economic development. "I have the feeling that 10 years down the track they will be seen in a better light than they often are at present."

Dealing with international financial issues, Mr Loudon said he believed the Third World debt problem was being addressed as well as it could be.

The US trade deficit had done wonders for the indebtedness of some of the Third World nations such as Brazil, Argentina and Mexico. These nations had been able to export to the US and through the export receipts fund debt repayments.

Mr Loudon predicted a

European growth rate through 1985 of about 2.5 to 3 percent instead of 1984's 1.5 to 2 percent. This would be based largely around higher exports to the US, he thought, but the extra growth would be sufficient to have an impact on the rest of the world.

There was concern, he believed, about Japan's failure to open up its import market more, particularly in respect of exports from developing Asian nations.

The growth in Asian exports was being absorbed by the US which was also taking in ever higher Japanese export quantities.

Intentions

"The Japanese need to open up more. And while there is at times some scepticism about their intentions, they are becoming more international in outlook and more aware of the political consequences of economic actions."

European bankers expected a major attack by the Reagan Administration this year on the US budget deficit. If there was not, Mr Loudon believed a lack of confidence in the US economy would show up through a decline in the value of the US dollar.

CSO: 4200/642

NEW ZEALAND

EDITORIAL VIEWS SHEEP INDUSTRY OUTLOOK

Christchurch THE PRESS in English 26 Jan 85 p 18

[Editorial: "Rough Ride on Sheep's Back"]

[Text] On the sheep's back will not be a good place to be over the next few years, according to an analysis by the Ministry of Agriculture and Fisheries in North Canterbury. The combination of measures from the last Budget, together with the removal of subsidies from supplementary minimum prices, is expected to reduce the gross income of the average North Canterbury dry-land farm by \$12,000 in the next farming year, and by \$15,000 the following year. The calculations that led to these figures assumed a good year and no decline in the export market for sheepmeat; a bad year, or a reversal in export markets, would magnify the loss greatly.

To predict, as the Ministry does, that the Budget and the removal of subsidies will put most Canterbury Plains farms into the red, even in a good year, is to be the bearer of grim tidings indeed. The analysis can scarcely please the Government and the Ministry's presentation of the result to farmers is unlikely to endear the Government to the rural voters. If the worst effects predicted by the analysis are to be avoided or mitigated, however, it will require a realistic appraisal of what is at stake.

One of the worst consequences of the S.M.P. schemes was that they tended to isolate farmers from the realities of the market-place. Turning a blind eye to the harsh message of the Ministry would be ostrich-like folly. The Ministry's assessment might be open to challenge by other experts; of necessity, the accuracy of the predictions will vary from farm to farm as no allowance can be made for the tendencies of individual farm management; but the substance of the Ministry's analysis contains a warning for a far wider community than the farmers to whom it has been addressed so far.

The unpalatable message would apply to most sheep farming in New Zealand. The

economic facts of life might be even worse for sheepfarmers on North Island hill country, where the greater number of New Zealand sheep are run. On these properties, slightly higher costs for fertiliser and loan interest must be met and their distance from towns, that are their sources of supply and their markets, will make higher transport costs more significant. Those farmers who have seen the Ministry's figures are reported to be shocked. Some of them might have been aware of, or might have suspected, the tougher time ahead. Many seem not to have added the financial blows together to apply them comprehensively to the farm budget of the next two or three years.

Sheepmeat and wool still are mainstays of the New Zealand economy. When the sheepfarmer is in trouble, few other New Zealanders can prosper. The consequences of the struggle on the sheep farm might not be as readily apparent as, say, a woollen factory's closing; but they can be just as telling. New Zealand's pastoral history has meant the development of a large supporting web of businesses and industries, employing tens of thousands of people, who are reliant to some degree on the economic health of the farming sector. If the farmers are forced to retrench, reduce fertiliser applications, delay repairs, or put off buying materials or machinery, the readily-identified loss of production on the farm is multiplied many times by a hidden but compounding loss of commercial activity and job opportunities elsewhere.

Farmers are being asked to bite the bullet because the previous support systems were simply unsustainable. The S.M.P. payments could not continue at their previous level. Improvements in markets reduced the pay-outs, but not to the satisfaction of the Government. The Government decided, too, that interest

rates payable on Rural Bank loans should be increased closer to market levels. The three-year stepping up of Rural Bank interest rates has been calculated to cost the average hill farm about \$750 more in interest payments this year, about \$3300 more next year, and about \$4500 extra in the third year. Similarly, the recovery of charges for the inspection of produce by the Ministry of Agriculture and Fisheries will be phased in, and this will cost the average hill farm an extra \$1640 a year in outgoings by 1986-87.

More than one-third of farmers' incomes from the sale of their lambs last year came from subsidies. The best available projection for next year, assuming a constant market return but allowing for the abatement of subsidies, is that the farmer will get about \$2.50 less than last year for each lamb. This drop in income, coupled with the higher expenses, must encourage greater diversification and greater efficiency on the farm. Only the most efficient, or resourceful, sheepfarmers will weather the storm and the opportunities for diversification are not available to all farmers. Huge sums have been spent by successive Governments to redeem or open up land for sheep farming. If the Government is consistent in its policy, this kind of expenditure will not be continued or extended. Until the industry has adjusted to the prescribed change, such land development should cease.

The Ministry is preparing a report on diversification possibilities for North Canterbury farmers at present. This report is due out some time in March. Obvious candidates for consideration are a change from sheep to deer or goats. More and more North Canterbury farms are running deer herds and angora goats appear to be all the rage at present. Nevertheless, these are expensive alternatives, capital intensive, and require new skills and expertise. An extension to cropping is a most likely avenue and some farmers, particularly those with water on their property, might turn to horticulture, at least in a limited way. Forestry remains a promising use for much of the lighter plains land; but this is a long-term investment.

The Ministry can offer no easy solutions, for there are none. What it has done usefully is spell out the difficulties that lie ahead and it has alerted sheepfarmers in unmistakable terms to the cumulative effects of economic decisions taken in Wellington. If the message is understood in the towns, as well as on the farms, so much the better. The economy is not a sectional thing that can be manipulated for long to the exclusive benefit of one group. When this is attempted, it is never long before distortions arise. All are interdependent and the reality of the Ministry analysis is that the town as well as the country is in for a rough ride on the sheep's back.

NEW ZEALAND

EDITORIAL ON GOVERNMENT SUPPORT OF FISHING INTERESTS

Wellington THE EVENING POST in English 31 Jan 85 p 6

[Editorial: "Fishing Has Future in its Own Hands"]

[Text] OUR FISHING INDUSTRY is in need of reassurance. It is at the crossroads. It has a future despite an increasing foreign presence offshore. But it will be a future largely of its own making.

In the circumstances, the remarks of the Deputy Prime Minister, Mr Palmer, this week at the ceremony to welcome Skeggs Foods' new 1500-tonne trawler were both timely and necessary.

The Government, Mr Palmer said, supported New Zealand interests in deepwater fishing, adding: "Catch allocations will be increased for New Zealand companies, as long as the domestic industry can demonstrate its ability to take the majority of its allocation."

Just as it is important to maintain farmers' confidence, so too is it essential in increasingly difficult times to make our fishermen feel they have a future.

The farming industry, with its traditional ways and predictable markets threatened, has had to brace itself to meet the change. So must fishing adapt to new challenges.

Once, fishermen could be content to net what they determined the local market needed — from a convenient distance offshore. It was a comfortable existence. But envious eyes farther afield were fixing on

our waters and their tenacity and techniques should have been a warning heeded much earlier than it was.

The appearance in increasing numbers of Russians, Japanese and Koreans, as well as their overall sophistication, did finally convince the fishing industry in this country that it must move to sustain a future in the face of such competition.

As a resource precaution, New Zealand declared in April, 1978, a 200-mile exclusive economic zone — one of the world's largest — of approximately 1.2 million square nautical miles. Mr Palmer acknowledged New Zealanders had gradually acquired the knowledge and capability to undertake the fishing of the zone.

However, inshore territorial waters are for the most part fully exploited. Thus the future is thought to depend largely on fishing the zone's deeper waters.

With the advent of joint ventures, New Zealand fishermen were made more conscious of the diminishing inshore stake. Sensing this, the new Government approved last November the inshore fishing industry's biggest reorganisation in 75 years.

The scheme is to take effect from October 1 this year and will allocate to fishers individual transferable quotas which will allow them to catch a set quantity of fish over a

specific period. The scheme has the industry's immediate approval. Time will tell whether it will give the industry the confidence it needs to operate and survive in today's cutthroat conditions.

Asked at the time the scheme was announced whether the proposed combination of individual transfer quotas for catches and compulsory catch reductions would work, the secretary of the Federation of Commercial Fishermen, Mr Peter Stevens, said: "It's got to."

In a few words, he summed up the industry's option for a viable future.

CSO: 4200/642

NEW ZEALAND

BRIEFS

SOCIAL CREDIT URGES ANZUS END--Wellington--Social Credit has called for New Zealand to end its membership of the A.N.Z.U.S. alliance. An alliance "backed and sponsored by the nuclear arsenal of the United States," ultimately could not and would not accommodate a nuclear ship ban, said Social Credit's leader, Mr Bruce Beetham, and the deputy leader, Mr Garry Knapp, yesterday. "American concern about the impact such a ban may have on A.N.Z.U.S. is not so much concern about the alliance itself, but rather, the domino effect that a ban could have on countries like Australia, West Germany, and the Netherlands, where anti-nuclear sentiment is strong." A.N.Z.U.S. no longer provided New Zealand with security. It involved the country unnecessarily in the rivalry between East and West, "and places us in the nuclear firing line," they said. [Text] [Christchurch THE PRESS in English 29 Jan 85 p 1]

COMPUTER DEAL WITH PRC--Burroughs Ltd has won a \$US20 million (\$NZ42.5 million) contract for its small business computers to be assembled and distributed in China. The contract was signed between Burroughs, the Provincial Import-Export Corporation and the Peking Ever Bright Industrial Corporation, who will both assemble and distribute the computers, and with the Yunnan Electronic Equipment Factory which will provide maintenance services. A statement from the company says Burroughs has operated an office in Peking for five years and has installed a number of computer systems in Chinese agencies and enterprises. [Text] [Wellington THE EVENING POST in English 28 Jan 85 p 12]

CSO: 4200/642

SINGAPORE

DHANABALAN COMMENTS ON ASEAN'S CAMBODIA POLICY

Singapore Domestic Service in English 1300 GMT 23 Mar 85

[Excerpts] The government proposes to double current expenditure on cultural affairs, and a 5-year plan aimed at promoting cultural activities in the republic is now before the schedule. The government, through the Ministry of Community Development will also continue to act as a (?catalyst) in cultural development and will support and strengthen organizations involved in the promotion of culture. Not only will culture (words indistinct), but efforts will be made to take culture to the common man. This assurance was given by the minister for community development, Mr Dhanabalan, when he spoke in the debate on the (?administration) of his ministry in parliament today. (passage omitted)

Earlier, speaking in his capacity as foreign minister, Mr Dhanabalan refuted a suggestion by the MP for Serangoon Gardens, Dr Lau Teik Soon, that the situation in Southeast Asia today was worse than it was a year ago. He said that Singapore, together with other ASEAN countries, have been successful in its Cambodian policy, and it was aimed at preventing the consolidation of the Vietnamese occupation of Cambodia. Vietnam, he said, had been isolated diplomatically in all international forums. He said the best way in which Singapore could contribute toward improving the security of ASEAN was by encouraging rapid and sustained economic development. The minister said the decision of the U.S. congressional subcommittee to appropriate \$5 million in aid to the noncommunist resistance in Cambodia would have much impact. (passage omitted)

CSO: 4200/674

THAILAND

REACTION CONTINUES TO SRV CAMBODIA OFFENSIVE

China Response Questioned

Bangkok SIAM RAT SAPDA WICHAN in Thai 24 Feb 85 pp 12, 13

[Article: "Cambodia, What Will the Future Be Like?"]

[Excerpts] Since the rainy season last year, the fighting in Cambodia has increased greatly in intensity, and the situation has become very grave for the government of Democratic Kampuchea or the coalition government, which ASEAN supports (politically).

In the recent fighting, most of the population centers, or bases, of the Khmer coalition forces, including those of Son San, Sihanouk and the Khmer Rouge, have been overrun by Vietnamese forces. This includes Ampil and Ritthisan, or Nong Chan, the headquarters of the Khmer Serei. What is most important is that the bases of the Khmer Rouge, who are said to be the backbone of the Khmer resistance forces, have been seized by the Vietnamese, too. In particular, the Vietnamese have seized the base at Phnom Malai, which was the Khmer Rouge's most secure base.

The Phum Thmei camp, which was a very important base of the Khmer Rouge and which is where the provisional government of the Khmer coalition forces held cabinet meetings, or issued directives, has been seized by the Vietnamese, too.

The Phum Thmei camp is located right on the Thai border just across the canal. It is opposite the Thai village of Ban Nong Pru.

The Khmer Rouge forces have been scattered in all directions. Some have entered Thailand and mixed in among the civilians. Others have formed small groups and moved deeper into Cambodia behind Vietnamese lines. They are waiting for a chance to cut [Vietnam's] logistics routes and harass the Vietnamese.

At present, the Khmer Serei forces have assembled at Dong Rak in order to prepare for an offensive by the Vietnamese, who are bringing up new forces, including tanks and artillery. Reports are expected soon on the fate of these Khmer Serei forces.

In short, the Khmer coalition forces are clearly inferior militarily. The reason for this is that they have fewer weapons, and their weapons are inferior to those of the Vietnamese. China, which once said that it would give the Khmer coalition full military support, has done nothing except announce that it will teach Vietnam a second lesson if Vietnam tries to crush the Khmer coalition.

The combat morale of the Khmer coalition government has fallen to a very low point. Thus, the reports in Bangkok newspapers that Prince Sihanouk, Mr Son Sann and Mr Khieu Samphan opened talks in Bangkok 2-3 days ago in order to review the situation come as no surprise. It is not yet known what will be done to solve the problems.

After this secret meeting, Prince Sihanouk told Mr Choen Ping, China's ambassador, who had arranged a banquet for these three men at the embassy, that the Khmer coalition government will continue the struggle against Vietnam and will definitely not compromise. This sounds quite odd.

However, observers have noted that Prince Sihanouk's statement at a banquet at the Grand Palace Hotel in Phataya to express gratitude to ASEAN and representatives of the mass media that he is afraid that the Khmer coalition's U.N. seat will be shaken by these events clearly shows that Prince Sihanouk himself has been shaken.

"What will happen if Prince Sihanouk turns and sides with Heng Samrin?" said an observer to SIAM RAT SAPDA WICHAN.

However, this will probably not occur as long as China has influence over Prince Sihanouk and supports the Khmer Rouge in order to match Vietnam's influence.

The question facing ASEAN, particularly Thailand, is, how will we play the game in this situation? Because ASEAN has clearly asked the world community to support the Khmer coalition both militarily and politically.

The United States has remained indifferent and shown no reaction. Their only response has been the rather mild statement made by Mr Kenneth Dam, the U.S. assistant secretary of state, during a recent interview by satellite from Washington, D.C. He said that "we view the Vietnam-Cambodian problem in the same way that ASEAN does. Talking about support, we have greatly supported ASEAN's efforts to solve this problem using political means. We have provided humanitarian aid to the non-communist groups. But we will not provide weapons. We have no plans to do that."

The attitude of the United States is very clear. In effect, they have said that they do not want to get involved.

Thus, China must be asked once again if it plans to do something about Cambodia or whether it intends to sit back and allow Vietnam to occupy Cambodia.

Anti-Khmer Rouge Sentiment On Border

Bangkok CHAT ATHIPATAI in Thai 3-9 Mar 85 pp 26-28

[Article by Khaen Sarika: "Will Vietnam Invade Thailand? Is Thailand In Control Or Is It Being Pressed By Vietnam?"]

[Excerpt] Before starting, I have to say that my last column was somewhat different from my usual style. I wasn't trying to be vague. It's just that the image in my mind depressed me. It may be because I am from the provinces and so I cannot behave like a good citizen of Thailand (or "Die-land" as foreigners pronounce the word). So let me continue.

It's better to go into the provinces. Those who have read "Suk Khamchat" [International War] are probably familiar with Paet Um, a Thai village in Nam Yun District, Ubon Ratchathani Province. In Paet Um, Khae Don, Tayoi, Nong Khrok, Non Sung and Kut Saimun today, things are no different than they were as described by Rung Fa in that book.

I talked with a villager who lives in Ban Nong Khrok and who is married to a man who was disabled just recently--which is why this farm family is very poor and will never forget that day. At the end of January, her husband returned home from tending the buffalo and then went into the forest near their home to hunt birds.

"It was a mine set by the Khmer Rouge. It was not set by the Vietnamese. I have been here many years and have never seen a Vietnamese."

She confirmed that this was the work of the Khmer Rouge, who had planted the mine that her husband stepped on that night. In a bitter tone, she told me that her husband had been taken to the Sapphasitthiprasong Hospital in Ubon Ratchathani City with the help of doctors in Nam Yun District. Doctors in the city had to amputate his left hand and remove part of his left thigh.

She also told me that this is what you get when you "raise a viper in your house." Since the beginning of the year, 10 villagers from Khae Don, Tayoi and Nong Khrok have been killed by mines. Only her husband was not killed. But it's the same as if he had been killed since he is bedridden.

I don't know whether Thai officials at various echelons are aware of the fact that a Thai citizen lies all alone in a large hospital in Ubon Ratchathani City. Don't let the villagers complain that the Cambodians are being treated well while Thais are ignored. Senior people in Ubon Ratchathani should take an interest in the people.

Teh genocidal war in Cambodia shows no signs of ending. The villager in Ban Nong Khrok said that there is no way that the Khmer coalition can defeat the Vietnamese since the three coalition groups have never shown any sign of being on the same side as the villagers in that area.

This dry season, the Khmer coalition will face great hardships since the Vietnamese forces have smashed the important bases of both the Khmer Serei and the Khmer Rouge. They even smashed the Phnom Malai camp, which was supposed to be very "strong." It seems that Vietnam wants to rid every square inch of Cambodian territory of the Khmer coalition forces. Thus, the problem has fallen on the shoulders of their supporters.

"ASEAN Asks World to Send Weapons to Help the Khmer [Coalition] Smash Vietnam"

"The United States Turns Its Back On Cambodia; Refuses to Provide Aid"

"Sihanouk 'Begs' China to Teach Vietnam a Second Lesson"

I have reprinted these headlines from daily newspapers in order to show what the war of national liberation is like at present. I am afraid that Thailand will have to play the "hero" in containing Vietnam just as was the case in containing China. Do you remember? That time, Mr Lee Kuan Yew asked Thailand to be the frontline in defending against the Chinese communist threat. Now, ASEAN is trying to get Thailand to abandon its neutral position and confront Vietnam openly.

Looking at this recent international political game, China is beginning to play a greater role in this region while the United States is still so shaken by the Vietnam War that it is ignoring ASEAN's appeals to give military support to the Khmer coalition. Some newspapers have observed that the reason why the United States is not interested in helping the Khmer coalition is that it is still suspicious of the Khmer Rouge and does not think that this group has changed in any way.

Since this is how things stand, the Khmer coalition's only hope rests with "China teaching Vietnam a second lesson." And people in Thailand probably have the same hope. I would like to share with you the views of a former village headman who wrote an article in a local newspaper, the UBON NEWS-CHABAP PHUAN KHRU:

"Looking carefully at Vietnam's situation, it is clear that whether or not Vietnam attacks Thailand depends on Thailand and not Vietnam or some other factor. Even though the Soviet Union has supported Vietnam's invasions of Laos and Cambodia, the conditions that would lead Vietnam to attack Thailand do not yet exist."

In another section, he wrote that "there are two major conditions under which Vietnam would invade Thailand. One is if Thailand became a communist country. The second is if Thailand allowed Chinese troops to be stationed in Thailand in order to oppose Vietnam." (When he says "if Thailand became a communist country," he means a pro-Chinese communist country.)

"If Thailand created such a situation, Vietnam would have to attack Thailand. But if Thailand does not create such conditions, Vietnam will never attack Thailand."

While I have excerpted just a few passages from the article written by Mr Bai Phaichit, it is clear that he regards Thai neutrality as being extremely important. If Thailand abandons its neutral position, Vietnam can use that as an excuse to attack Thailand. But if Vietnam forces Thailand to have to make a choice.... For example, if the homeless Cambodians want to set up bases because they have been forced to retreat by the Vietnamese, will Thailand callously do nothing or expel the Cambodians and force them to become cannon fodder for the Vietnamese, the invaders who are supported by the Soviet Union?

Don't forget that in 1982 Vietnam had a "plan" to join with the CPT in seizing Thailand's 16 northeastern provinces. And it will probably be remembered that that same year, China had a "plan" to help the CPT seize Nan and Phayao provinces.

These are things that Thailand cannot forget. But Thailand's and ASEAN's decision must be made very carefully. Surely ASEAN has learned the lessons of the local police, or SEATO in the past. If a "world policeman" like the United States is afraid of getting entangled in the war, isn't ASEAN's statement that it will provide military support to the Khmer coalition a very risky and dangerous step?

Column: ASEAN Lacks Unity

Bangkok MATICHON SUT SAPDA in Thai 17 FEB 85 p 3

[Catch the Tide column]

[Excerpt] An important weakness of ASEAN in the Cambodian matter is a lack of unity. On the other hand, the strength of Vietnam and the Soviet Union is their greater unity.

Some of the ASEAN countries still believe that they can trust Vietnam and the Soviet Union more than China. Other countries claim that they are totally opposed to Vietnam, but in actual practice they have found ways to help Vietnam economically.

As long as there is a lack of unity within ASEAN, the Cambodian problem will remain a problem, the movements will be ineffectual and Thailand will continue to be the frontline in confronting this problem.

Vietnam still places its hopes in taking divisive diplomatic action and remaining firm in its efforts to legitimize the Heng Samrin government. This diplomatic offensive to cause internal divisions is not being waged only on a broad scale, such as ASEAN. Even in Thailand, Vietnam is making a great effort to forge solidarity with certain political groups in order to use them as its mouthpiece on the Cambodian problem.

ASEAN's unity on the U.N. resolution is a very good thing. Another good thing of great import is the offensive step taken by submitting a letter of protest. But it would be even better if ASEAN would resolutely settle its internal differences and move forward together with a greater show of unity.

Column On Khmer Rouge Image, New Tactics

Bangkok NAEON in Thai 21 Feb 85 p 3

[Penetrate the World column by Chet Prithat: "The Khmer Rouge Decade"]

[Text] The date 17 April 1975 was an important day for Cambodia. That was the day that the forces of the Cambodian communists, or Khmer Rouge, defeated the forces of former President Lon Nol, who was being supported by the United States. The Khmer Rouge marched into Phnom Penh, announced the liberation of the country and made preparations to build a new socialist Cambodia free from the influence of the great powers.

Now, 10 years later, the Khmer Rouge have a place in history as the builders of the most barbaric system in the history of Cambodia. Also, the Khmer Rouge administration led to a war with Vietnam, which has resulted in Cambodia being occupied by Vietnamese forces. The Khmer Rouge have become a small group that is waging a struggle against Vietnam along the Thai border. Its bases have been smashed by Vietnam time and again. Just recently, its headquarters at Phnom Malai was overrun by the Vietnamese.

Vietnam invaded Cambodia in January 1979 and created a puppet government under the leadership of Heng Samrin. Ever since, it has tried to legitimize this government. But the world community still recognizes the government of Democratic Kampuchea, which is composed of the Khmer Rouge and the two united front groups, that is, Son Sann's Khmer Serei and Sihanouk's Moulinaka.

The Heng Samrin government does not have enough forces to protect itself. It has to rely on Vietnamese forces. The largest resistance group is still the Khmer Rouge. For this reason, the fighting between the Khmer

Rouge and the Vietnamese is of great importance in the present stage.

Vietnam is saying that its successful attack on the Khmer Rouge's Phnom Malai base means that the Khmer Rouge have been defeated. But because Vietnam has not crushed the bulk of the Khmer Rouge's forces means that the fighting will continue. Some analysts think that the war between these two groups will move away from the border and move deeper into Cambodia.

A joint statement issued by the Khmer coalition states that today's combat situation presents a good opportunity to move the battlefield deeper into Cambodia in order to increase the level of resistance. Lee Duc Anh, the Vietnamese vice minister of national defense, stated that the internal battlefield will be the place that decides the fate of the Cambodian revolution.

If the fighting moves deeper inside Cambodia, it means that the Khmer Rouge will again have to rely on the Cambodian people and find a way to get the people to join or support them. This will not be easy. At this point it seems that the Khmer Serei and Sihanouk's group may be at an even greater disadvantage since they have been away from the people inside the country for so long.

However, this change in strategy shows that it will not be easy to end the war in Cambodia. Some people have pointed out that the Khmer Rouge will not lose anything by having to revert to waging a guerrilla war since they are familiar with this type of warfare.

What this means is that the Khmer Rouge will continue to be the important factor. Actually, during the past decade, the fate of the Cambodian people has been determined by the actions of the Khmer Rouge. Even though the Khmer Rouge have tried to improve their image by announcing a change in policy, changing leaders, admitting past mistakes and abandoning their socialist line, they cannot erase their terrible image. However, during the next decade, the only two choices open to the Cambodian people will be either the Vietnamese or the Khmer Rouge.

'Weakness' Seen In Border Victories

Bangkok NAEQ NA in Thai 20 Feb 85 p 3

[Editorial: "The Cambodian Situation"]

[Text] Looked at superficially, the present situation along the Thai-Cambodian border seems to be very dangerous. The Vietnamese forces have launched attacks and succeeded in overrunning almost all the Khmer coalition bases, including Nong Chan, Ritthisan, Ampil and Phnom Malai.

This last base was an important base of the Khmer Rouge. In the past 6 years of fighting, Vietnam had never been able to seize this base.

Thus, it seems as if the Coalition Government of Democratic Kampuchea is experiencing serious problems. In addition, Prince Norodom Sihanouk has appealed to China to teach Vietnam a second lesson. It seems as if these military failures will affect the coalition government's political position on the world political stage.

But actually, the recent fighting in Cambodia has not led to any fundamental changes. The fighting will continue as before. That is, to regain their independence from the Vietnamese, the Khmer coalition forces will use guerrilla tactics. They will use smaller forces to infiltrate areas and launch attacks in order to harass [the enemy] and gradually expand their zone of influence until their forces become stronger. They have the support of most of the people and so will someday be in a position to launch a decisive strike.

In such a war, even though the enemy has seized their bases, that is not a major problem. Because as long as the guerrilla forces remain intact, they will be able to attack and harass the Vietnamese forces and finally force them to withdraw. And they will recapture their bases.

If the Cambodian war continues like this, in the end it will be the Vietnamese who will lose just as was the case in Vietnam, where the Americans learned a very painful lesson in their war against the Vietnamese.

The fact that things are becoming more and more difficult for Vietnam means that Vietnam will step up its military and political efforts. But Vietnam has suffered an important defeat politically. The members of the European Economic Community have cut their aid, and in the United Nations, Vietnam is becoming more and more isolated. This is clear from the resolution on the Cambodian problem that was passed at the end of last year.

Thus, it is understandable why Vietnam has stepped up military operations this year. This is an admission that Vietnam is weakening.

CGDK Defeats Seen As ASEAN Problem

Bangkok NAEQ NA in Thai 20 Feb 85 p 3

[Penetrate the World column by Chet Prithat: "The Future of the Khmer Rouge"]

[Text] Last Friday, Vietnamese forces overran the large operations base of the Khmer Rouge at Phnom Malai. This area had long been a center in the war against Vietnam. The loss of this Khmer Rouge base will probably have a great effect on the international political situation.

In particular, many countries will begin to have greater doubts about the capabilities of the Khmer coalition government, which still holds a seat in the United Nations.

This embarrassing loss of the Khmer Rouge was just one part of Vietnam's massive dry-season offensive, which began last November. This is the largest offensive launched by Vietnam in the past 6 years. It is thought that Vietnam's purpose in sending in more forces against the Khmer coalition government was to gain greater legitimacy for the Heng Samrin government, which Vietnam will support at the next U.N. meeting.

Prior to this, Vietnam sent large forces to destroy many of the other bases of the Khmer coalition forces. They seized the Nam Yun camp of the Khmer Serei, or KPNLF, in November. In January, they seized Ampil, a large base of operations of the Khmer Serei. They then sent in large forces to launch this offensive. There are now about 3 months left before the start of the rainy season. It is thought that Vietnam will launch another offensive in order to eliminate the Khmer coalition and reach its goals.

At present, the Khmer coalition groups still hold several bases here and there. In particular, there are the Khmer Serei camps in the Ritthisan and Nong Chan areas. It is thought that these will be the next targets of the Vietnamese. There is also the base in the Dong Rak mountains, where the Khmer Serei forces assembled after being routed from Ampil. A news source stated that the Vietnamese and Heng Samrin forces have sent up reinforcements from Oudong Meechai and mobilized large forces at Ban Soriya in order to prepare for the next offensive.

The greatest problems stemming from the offensives launched by Vietnam are the tension along the Thai border and the refugee problem. Another 100,000 have fled or are preparing to flee into Thailand. It will be Thailand that suffers the greatest hardships because of this. Last week, Thailand and its ASEAN allies made a direct appeal to the world community to help the Khmer coalition government. This seems to have been a direct appeal to the United States and other Western countries. Because at present, only China is supporting the Khmer coalition. But the appeal made by Thailand and ASEAN seems to have achieved very little. This is because the United States has a negative attitude on this even though it is giving much aid to the rebels in Afghanistan and Nicaragua who are opposing the socialist governments in those countries.

In this situation, it is likely that the Khmer coalition will turn more to China. Prince Sihanouk, the president of the Khmer coalition government, appealed to China to teach Vietnam a second lesson. But China has not moved its forces in preparation for a new war. All it has done is fire across the border, which is something that it has been doing for 6 years. Thus, it seems unlikely that China will teach Vietnam a new "lesson" as Sihanouk wants.

The Chinese Sin Hua News Agency reported that Vietnam's victory was a hollow victory since it failed to crush the forces of the Cambodian people. This is because the Khmer forces withdrew from their bases and let the Vietnamese seize deserted bases. China feels that the Khmer coalition will win in the end. But regardless of such statements by China, it seems that the Khmer coalition faces many difficulties, particularly on the international political stage. This may make things more difficult for ASEAN, which supports the Khmer coalition politically.

Cartoon Lampoons Sitthi Position

Bangkok LAK THAI in Thai 21 Feb 85 p 12

[Cartoon]



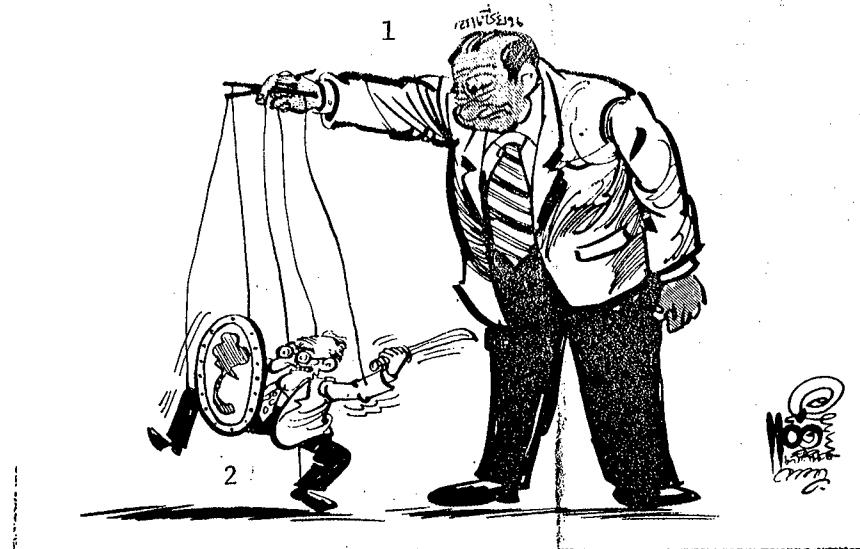
Key:

1. A long story
2. The Cambodian problem, Cambodian refugees
3. [Sitthi Sawetsila]

Cartoon Sees Sitthi As ASEAN Tool

BANGkok DAILY NEWS in Thai 21 Feb 85 p 5

[Cartoon]



Key: 1. ASEAN
2. [Sitthi Sawetsila]

Cartoon Questions ASEAN Cambodia Policy

Bangkok DAILY NEWS in Thai 24 Feb 85 p 3

[Cartoon]

ជិតជិតឯករាជ្យទូទៅ?



Key:

1. Is this a good idea?
2. The genocidal war in Cambodia
3. Our action
4. We associated with ASEAN for trade purposes,
5. but at the last meeting
6. the result was
7. sending weapons to help the Sihanouk faction.
8. And so who is the frontline?

11943

CSO: 4207/147

MILITARY AFFAIRS AND PUBLIC SECURITY

HOANG VAN THAI ARTICLE ON LOCAL MILITARY CADRES

BK131231 Hanoi Domestic Service in Vietnamese 2330 GMT 10 Mar 85

["Excerpts" from March 1985 TAP CHI QUAN DOI NHAN DAN article by Senior General Hoang Van Thai on building a contingent of local military cadres in support of national defense at present]

[Text] Faced with the new requirements of national construction and defense, and in order to implement successfully the party's military line and local military work, it is necessary to formulate plans for the building of a contingent of cadres capable of handling local military work comprehensively, homogeneously, and proficiently.

As pointed out in a resolution issued by the Military Commission of the party Central Committee in the past on long-term cadre programs and building a contingent of cadres, efforts should be made to build a contingent of local military cadres, consisting of cadres of provincial, district, and village military commands and agencies, local army cadres, and militia and self-defense cadres.

These cadres must be have high quality and ethics, maintain a firm and reliable political stand, possess political and military knowledge, and firmly grasp the all-people defense policy to be able to build the People's Armed Forces. They must also be capable of serving as military advisers to all local party committee echelons; assuming command of local army, militia, and self-defense forces; and carrying out combat actitivies in coordination with the main forces and in combination with the mass movement and possess a necessary economics background to be able to combine national defense with economics and vice versa and build provinces and cities into strategic theaters and districts into solid fortresses.

In the immediate future, it is necessary to concentrate on streamlining the numbers of cadres in all localities on off-shore islands and in border, coastal, and other vital areas while formulating plans for consolidating, training, and fostering the numbers of local military cadres at all levels in order to improve their quality in all aspects. In mountain localities inhabited by people of various nationalities, we must persist in training and fostering cadres from among ethnic minority groups and boldly help them gain promotion.

It is necessary to formulate intensively plans for training and fostering local military cadres and militia and self-defense cadres with an appropriate and perfect structure to meet the requirements of all immediate and long-term tasks.

The contingent of local military cadres must be built up continuously, one after another, and these cadres must be endowed with high revolutionary quality, win the confidence of the local party organizations and people, and possess the necessary knowledge and ability to work in various fields—military, political, and economic.

Local military cadres not only have to be skillful in and well-informed on matters related to local military work and local people's warfare; they must also possess up-to-date military knowledge and understand all the fundamental issues concerning the combat activities of various regular army corps in order to ensure coordination when necessary.

To fulfill these guidelines, tasks, and requirements, it is necessary to execute satisfactorily the following main contents and measures:

The first is intensively to consolidate and streamline the contingent of military cadres and the number of local military agencies at various levels in accordance with the plan that has been adopted for each level. Whether or not the function of advising the local party committee and administrative echelons on military matters can satisfactorily be performed depends on the effort to consolidate and streamline the numbers of military cadres and agencies at various levels.

We must proceed from the need to fulfill these tasks of local military work to resolve the problems concerning the organization of and equipment for local military agencies' cadres. It is necessary to establish a specific and well-defined table of organization and equipment for each level, and this will not necessarily be identical for all provinces, districts, precincts, and cities. We must draw up this table on the basis of the position, characteristics, requirements, and specific tasks of each locality.

All provincial military commands and district military command committees must be fully staffed with competent cadres of various professions and armed branches to ensure that they can fulfill their tasks and can continue to build up the numbers of their cadres. They must also be provided with those who have grown up in local military work, and those who have once commanded a concentrated army unit or served in a certain armed service in order to ensure mutual assistance.

We should boldly seek promotion for high-quality, capable local cadres who are familiar with their localities and have won the confidence of the local party committee echelons and people, especially typical cadres in localities inhabited by ethnic minority groups. It is necessary to improve step by step plans for the placement of responsible cadres at provincial and district levels to ensure that the placement of these cadres can be made one after another and, on that basis, formulate plans to send them for advanced training.

Meanwhile, all military regions and provinces should review the numbers of cadres at village and city-ward levels so that, together with the local party committee echelons, they can work out plans to train, foster, and use these cadres steadily, thus enabling them to accumulate experience.

The second is the task of conducting basic and advanced training to create sources of cadres. It is necessary to improve the task of conducting basic and advanced training and to raise the level of knowledge for local military cadres to cope with the new situation and tasks, ensuring that the function of military adviser to the party committee can be satisfactorily fulfilled, combat command can be organized, and the local armed forces can be developed.

In the new situation, if the military agencies of provinces, cities, districts, and precincts want to fulfill their advisory duties satisfactorily, they must study and set up plans to provide leadership and guidance for the following tasks:

Thoroughly understanding the viewpoints, lines, and duties of the all-people national defense in localities; combining economics with national defense; generalizing military knowledge for the local party organizations and people; developing the militia, self-defense, and local forces; managing and training the reserve forces; drafting youths in peacetime; preparing for and conducting the mobilization of both manpower and facilities for the army in wartime; commanding the local armed forces; fulfilling well the duties of combat readiness, combat, and combat support in localities while participating in the development of political and economic bases in localities; implementing civil defense in preparation for war and shifting into wartime; developing and consolidating the rear; implementing the army rear policy; and preparing the theater of operations and on-the-spot rear services for the war.

In wartime, they must lead and guide the local forces and militia and self-defense forces in conducting the local people's warfare and coordinating with the regular army corps to support combat, provide manpower and material assets to the front line, and satisfactorily fulfill all the rear duties.

The scope of conducting basic and advanced training for local military cadres must be politically, militarily, economically, culturally, and professionally comprehensive. It must be targeted, practical, and relevant to the requirements of the mission and the level of cadres' knowledge in each locality.

The key local military cadres of provincial and district levels receive basic and advanced training, like regular army cadres, after which they receive further necessary training in local military tasks. Moreover, local military cadres must receive additional advanced training in politics, economic management, technology, and culture organized by the local party committee.

Those localities with people of several nationalities must persist in conducting the basic and advanced training of ethnic minority cadres. To perfect the contingent of key command military cadres of provincial and district levels, we should select good, qualified cadres with high prospects for future progress both in the regular army and the local armed forces for basic and advanced training.

We should recapitulate our experiences for continued development and be constantly creative in developing different combat tactics and perfecting the local military training documents for cadres. We must clearly realize that the theory of local military tasks is part and parcel of the theoretical system of Vietnam's military science and national defense arts.

We should build and perfect the system of local military schools. The local military schools in provinces must be recognized as a unit of the provincial people's committee and must institutionalized on the state plans. We should consolidate the local military training system in various army institutes and schools. The responsibility for conducting basic and advanced training of military cadres must be divided among echelons in a uniform and standardized manner. The local military cadres of all ranks must never cease to study and learn from their own experiences to improve comprehensively their knowledge and fulfill the requirements of serving as advisers to the party committees and administration for the local military tasks of consolidating national defense and waging national defense war as well.

The third is to coordinate closely with the party committee echelons and the party's organization organs in localities to divide labor and responsibility rationally and to establish the system and policy of employing, training, and managing well the local military cadres including regular, reserve, militia, and self-defense cadres.

In dividing work among local military cadres, we must ensure the permanence of positions and the specialization of cadres so that they can profoundly understand the movement. Every effort should be made to avoid changing cadres--especially village cadres--in every election. In labor division, we must ensure that cadres have plenty of time for performing local military tasks by avoiding giving cadres several positions and duties that prevent them from thoroughly knowing their military tasks.

In guiding the movement, we must be able to maintain the core of the movement and ensure the rational structure of the local party committee. In the placement of new cadres, we must have plans to send them for advanced training so that cadres can acquire enough knowledge to assume their duties. In organizing and arranging each command section, we must shape up several successive classes of cadres who are ready to replace one another whenever so required and to help one another fulfill their duties.

The management of local military cadres must be placed under the leadership of the local party committee and the military council of the military region so that local military cadres can be well administered. The army's cadre agencies must coordinate closely with the organizational agencies of all sectors and local mass organizations. The scope of local military cadre management is basically the same as cadre management in the armed forces in general. From the qualitative standpoint, attention should be paid to the administration, sense of organization and discipline, obedience to the local party committees, and compliance with the directives and orders of higher military agencies. We should also pay attention to the sense of solidarity and coordination with the local sectors and regular army troops; maintain good relationships with the masses; observe good ethics in various activities; and win the confidence of the local party committee, administration, and people.

From the viewpoint of ability, emphasis will be placed on managing the knowledge of serving as advisers to the local party committee. From the military standpoint, we should check economic knowledge; ability to combine the development of armed forces with economic development and the consolidation of national defense; knowledge about the regular army and armed forces and, at the same time, of the militia and self-defense movement; aggressiveness; and willingness to stay close to primary units.

To manage local military cadres satisfactorily, we must make assessments and observations through combat and work realities in the local production movement. In evaluating and observing the local military cadres, we must correctly follow the division of labor and managerial responsibility and get the observations of the local party committee.

We should study and complement some of the systems and policies toward local military cadres to keep abreast of the new situation, such as the policy toward the local military cadres on the border highlands, the system of basic and advanced training and of taking care of family life for ethnic minority cadres, and the system of treatment for village and hamlet cadres and command cadres of militia and self-defense detachments.

CSO: 4209/291

MILITARY AFFAIRS AND PUBLIC SECURITY

VAN TIEN DUNG ARTICLE ON VICTORY ANNIVERSARY

BK111547 Hanoi Domestic Service in Vietnamese 1430 GMT 9 Mar 85

[*"Excerpts"* from article by Senior General Van Tien Dung, member of CPV Central Committee Political Bureau and minister of national defense: *"The Buon Me Thuot Victory"*]

[Text] Exactly 10 years ago, on 10 March 1975, our People's Armed Forces, together with the Central Highlands tribesmen, staged an offensive and uprising to liberate Buon Me Thuot City, a major provincial capital of the puppet administration and an important rear base of the puppet army in the Central Highlands theater. After more than 30 hours of continuous fighting, we seized control of the city. Thereafter, we foiled the enemy's counterattacks, wiped out the system of perimeter posts and forts, and completely liberated Dac Lac Province.

This was a major battle fought by various main force military corps [Binh Doan], in close coordination with the local armed forces, to liberate and achieve mastery in a city located in a vital area of a strategic region. It provided an opportunity to execute our party Central Committee Political Bureau's strategic decision to smash the puppet army, topple the puppet administration, liberate the south, and unify the homeland—thereby realizing the great President Ho Chi Minh's sacred testament.

The Buon Me Thuot exploit will go down in our national history as a magnificent epic opening the great general offensive and uprising that led the cause of the anti-U.S. resistance for national salvation to total victory. This was a strategically significant assault that drove the enemy into a passive position, disordered his forces, and triggered the irresistible chain reaction of his collapse. Early in 1975, the party Central Committee Political Bureau had promptly and correctly evaluated the balance of forces between us and the enemy, clearly pointed out the occurrence of the historic opportunity, and made the strategic decision to defeat completely the U.S. imperialist war of aggression by staging a general offensive and uprising to liberate the south totally.

To carry out this strategic decision, we advocated creating interconnected positions in the entire southern theater, closing in on Saigon and other cities, and stepping up the struggle in various fields in all three strategic regions. The primary question was the selection of an opening battlefield for our strategic offensive.

At that time, in the south, the enemy had deployed the bulk of his forces at both ends of his territory--that is, in Tri Thien [Quang Tri and Thua Thien Province], a theater where he had to face the socialist north constantly and directly, and in Eastern Nam Bo, where a defensive line had been set up to protect Saigon. The Central Highlands, stretching close to the western border, lay in the middle of the enemy's strategic defensive system. With this vast highland area under our control, we would be able to cut up and almost completely dominate these two southern theaters and create an extremely mobile springboard highly favorable to the development of our offensive east toward the central coastal area; south toward Saigon, the enemy's nerve center; and toward the Mekong River Delta.

For decades, the enemy had made every effort to build and consolidate the Central Highlands as a key strategic area of the southern theater as well as of all Indochina. However, through decades of utterly arduous and extremely courageous fighting, the people of different nationalities and the armed forces of the Central Highlands, under the leadership of various party committee echelons, had successively frustrated many insidious enemy schemes. The Central Highlands, for many years a revolutionary base during both the wars of resistance against the French colonialists and U.S. imperialists and an area ready to give all for the revolution's victory, had become a well-prepared battlefield for us.

The Central Highlands offered many favorable conditions for the deployment of our main force corps for attacks against the enemy. It was a theater with relatively strong links to the socialist north, the great rear area from which it received assistance via through the strategic Ho Chi Minh Trail, and one that lay next to the vast liberated zones of the Lao and Cambodian revolutions. The enemy's order of battle in the Central Highlands showed that his forces' capability of aiding one another was limited and that they could easily be isolated if we completely encircled and cut them off from one another.

Our party Central Committee Political Bureau decided to select the Central Highlands theater as the curtain raiser for the strategic offensive and Buon Me Thuot as the target of the opening battle.

At a meeting of the party Central Committee Political Bureau in January 1975, Comrade Le Duan concluded: We agree to launch the offensive this year, beginning with attacks on the Central Highlands. These attacks should fan out from Buon Me Thuot and Tuy Hoa. In Zone 5, we must liberate all areas from Binh Dinh northward, and in Tri Thien we must gain control of all areas from Hue to Danang. Such a great victory will drastically change the balance of forces.

At the meeting, the party Central Committee Political Bureau decided to select Buon Me Thuot as the target of the opening battle of the offensive. Comrade Truong Chinh said: We must deal a crushing blow, as we did at Dien Bien Phu. With a few blows like that, we can make the enemy collapse. We must firmly take the initiative in attacking places where the enemy will be forced to resist. And as he resists, he will fall into our trap.

In attacking Buon Me Thuot, we applied and developed to a higher degree and on a larger scale the combat method used in the war of resistance against the French colonialists. Our main forces, in close coordination with the local armed forces

and guerrillas, secretly infiltrated from distant bases through the enemy's defense line to make swift, surprise attacks right on the enemy's nerve centers in the city, after which they fanned out to strike the enemy's outer positions.

This method is typical of a highly developed people's war. The battle involved seasoned main forces, backed by local armed forces, well-trained special forces, and broad and firm popular bases lying right in enemy-held areas. Thanks to the army-people single-mindedness accumulated throughout the process of the prolonged and hard resistance, we were able to develop the factors of secrecy and surprise, thus launching accurate, smashing, stinging, and deadly attacks on enemy troops.

All cadres and combatants taking part in the Buon Me Thuot campaign express their profound gratitude to the party organization, people, and compatriots of various nationalities in the Central Highlands for having created all the favorable conditions for the armed forces to fulfill their duties. All cadres and combatants participating in the liberation of the Central Highlands remember the comrades and compatriots who had fought arduously and sacrificed their lives heroically in this battle as well as in the two protracted wars of resistance, especially since March 1959--the time when the party Central Committee Political Bureau issued the resolution on building the Central Highlands into a revolutionary base in the south.

In the battle for the liberation of Buon Me Thuot, all the cadres and combatants taking part in the Central Highlands campaign were vigorously encouraged by the active coordination of other battlefields--such as Tri Thien, Interzone 5, and Nam Bo--as well as by the firm struggle of the people in the south and the substantial support of the people in the north. The seething revolutionary impetus on this large front line was created by the all-for-victory movement and ardent love of the huge rear area that was ready to suffer sacrifice and hardship to satisfy abundantly and promptly all the needs of the Central Highlands front. It was also the enormous strength of the people in the entire country, who were determined to engage in the final battle for the cause of national liberation, that was the basis and precondition for total victory.

In its resolution, the Fourth National Party Congress hailed the 1975 spring general offensive and uprising, which was initiated by the battle of Buon Me Thuot, as a victory of judicious strategic guidance by the party Central Committee and its Political Bureau and of the art of organizing the fight by party organizations at all levels and army command at all echelons.

The valuable experiences unfolded by our party, people, and army in the Buon Me Thuot victory, as well as in the 1975 spring general offensive and uprising, constitute a great step in the development of Vietnam's military science and art. These experiences are also the sacred asset and great pride of our revolution.

The victory at Buon Me Thuot and the total victory of the 1975 spring general offensive and uprising have enabled our entire armed forces to understand ever more profoundly Vietnam's strength--the strength of a heroic, invincible, and

intelligent people who have united to accomplish many marvelous feats of arms-- and to place our confidence ever more firmly in the leadership of the party, in the strength and potential ability of the country, and in their ever-increasing fighting strength.

The entire armed forces are determined always to remain worthy of the confidence of the people and party and to practice the esteemed Uncle Ho's teaching: Be loyal to the party, be filial to the people, fulfill any mission, overcome any difficulty, and defeat any enemy.

CSO: 4209/291

MILITARY AFFAIRS AND PUBLIC SECURITY

ARMY PAPER ON PREPARATIONS FOR NEW TRAINING YEAR

BK131453 Hanoi Domestic Service in Vietnamese 1400 GMT 12 Mar 85

["Recent" QUAN DOI NHAN DAN editorial: "Prepare for the New Training Year"]

[Text] Various units in the armed forces are avidly preparing for the new training year. Military training plays a very important role in improving the combat effectiveness of the People's Armed Forces. However, to attain high-quality training, we must pay great attention to preparatory work.

In the recent training year, many units tried hard to overcome difficulties and implemented their training plans satisfactorily, thus improving their training quality by another step. But alongside these successes, there were still many units whose training quality was still limited in certain aspects. One of the reasons for this situation was that training preparations in these units were not meticulous and uniform. For instance, the quality of cadre training was still poor; drilling grounds, inadequate; training plans, not meticulous and not good enough to cope with tactical situations; and training aids, inadequate. These deficiencies must be promptly eliminated.

The preparations for training must be made by various echelons and units on the basis of a thorough understanding of training instructions from the General Staff as well as from their higher echelons and on the basis of the real situation. This is to enable various units to carry out their training activities satisfactorily while performing their combat readiness and combat missions as well as other missions in the 1985 training year.

The training program and training period vary from one unit to another depending on their areas of operation and cannot be the same for elements in large units. This characteristic will have an impact on all preparatory work. If training preparations are made perfunctorily and inflexibly--the same for every unit--high quality will never be the result. Various units must study thoroughly their own training programs and targets, devise training plans suitable to the reality of their units and to every subject, and make truly fine preparations for every training subject. To attain high training quality in a short training period, preparatory work must be carried out carefully and meticulously.

Combat effectiveness is the gauge of training quality. On the basis of achieving good basic training, training requirements must suit the real combat situation and each particular battlefield. These requirements must be thoroughly kept in mind and must be reflected right in the progress of preparing for training--

from drafting training lessons and selecting and building training grounds to mapping out training situations and methods as well as creating favorable conditions to ensure training sessions at night or under complex weather conditions.

Cadre training is an important part of preparatory work. This is also one of the essential forms of in-service training aimed at improving the quality of cadres and meeting requirements for combat readiness and combat training of various units.

Based on the requirements, tasks, and cadre capability of the unit, it is necessary to define clearly the objectives and contents of the training program and organize study activities for each specific group of trainees to ensure high quality in training courses. This year's training requirements call for improving the organization of training activities at all levels, especially for cadres at the detachment level.

As they are responsible for providing soldiers with the most fundamental knowledge and for directly controlling the unit in all respects, detachment cadres must be given complete training in all the necessary subjects. At training courses for detachment cadres, all training subjects must be carefully prepared on the basis of the tasks of each unit to ensure the practicality of training activities. In training, along with theoretical study, much time should be devoted to practice, and detachment cadres should be familiarized with all the steps involved in organizing training activities. A necessary and very effective method is to create conditions for trainees to organize and supervise training activities using model units.

Preparing for training is a busy job consisting of many tasks and involving many organs. It is not easy to ensure uniformity while making preparations. To do so, unit commanders must directly organize and supervise all activities; develop the efficiency of various organs, especially the staff organ for training; conduct regular inspections to detect and promptly correct errors and shortcomings in the preparatory process; guide the lower echelons in solving difficulties; and resolutely achieve the prescribed requirements at all costs. This will ensure good preparations for the new training year.

CSO: 4209/291

MILITARY AFFAIRS AND PUBLIC SECURITY

VPA DIVISION AWARDED HO CHI MINH ORDER

BK110635 Hanoi Domestic Service in Vietnamese 1430 GMT 10 Mar 85

[Text] On the morning of 10 March 1985, the Vinh Quang Division held a grand ceremony to mark its 35th founding anniversary and receive the Ho Chi Minh Order awarded by the party and state to the division cadre and soldiers. On behalf of the Council of State, Colonel General Tran Van Quang, vice minister of defense, solemnly pinned the Ho Chi Minh Order to the division's determined-to-win pennant. The lofty order was given in recognition of the brilliant armed exploits recorded by the division over the past 35 years--from the Dien Bien Phu campaign to the historic Ho Chi Minh campaign. The division's determined-to-win and invincible pennant has flown on all battlefields in the north and the south. The division already fulfilled its glorious international duty in fraternal Laos and helped the Cambodian people and armed forces bring down the genocidal Pol Pot regime which served as lackey of Chinese expansionism and hegemonism.

On behalf of cadre and soldiers of the Vinh Quang Division, the division commander expressed the determination of the division cadre and soldiers to develop the revolutionary nature and glorious traditions of our army and strive ever harder to master modern equipment, weapons, and technology in order to fulfill all missions, overcome all difficulties, and defeat all enemies--thus being worthy of the confidence of the party, state, and people.

CSO: 4209/291

INTERNATIONAL RELATIONS, TRADE AND AID

CONFERENCE REJECTS CHINA'S HISTORICAL DISTORTION

BK021755 Hanoi Domestic Service in Vietnamese 2300 GMT 1 Mar 85

[Text] The History Institute of Vietnam's Social Science Commission recently held in Hanoi a scientific conference to criticize the Chinese expansionists' version of history that has distorted Vietnam's history.

Large numbers of researchers and professors of history, literature, sociology, and education participated in the conference and delivered statements or reports. More than 20 reports and statements have begun to expose the tricks and plots to distort Vietnam's history used by some of the Chinese historians in the press, on the radio, and in various forums and seminars in China since 1978.

The theses and themes of China's version of history have dealt with many areas and periods of the history and historiography of Vietnam for the purposes of distortion and abridgement to (? deviate) from or deny the historical way of thinking and oppose Vietnam in the field of history in the service of Chinese expansionism-hegemonism.

Using the carefully and scientifically researched themes with accurate historical bases, the reports and statements at the conference criticized the irrational and erroneous themes of the Chinese expansionists, rejecting distortional views on the history and historiography of Vietnam.

Concluding the conference, Professor Van Tao, the institute's dean, stressed: Chinese expansionism-hegemonism has used historiography as a tool in the multifaceted war of sabotage against Vietnam to fool and poison the Chinese people and the world public.

The struggle for historical truth in this scientific conference has dealt appropriate blows at the reactionary and unscientific themes that distort history to protect our sovereignty and expose Chinese expansionism-hegemonism before history and in the domain of historiography.

CSO: 4209/290

INTERNATIONAL RELATIONS, TRADE AND AID

SOVIET REPORTER ON COOPERATION IN AGRICULTURE

BK131605 Hanoi Domestic Service in Vietnamese 0015 GMT 11 Mar 85

["Article" by Soviet news agency APN correspondent (Boludin) on USSR-SRV agricultural cooperation--date not given]

[Text] Thanks to the completion of the second section of the Lam Thao super-phosphate plant built by Soviet assistance, Vietnam's fertilizer production has increased by 100 percent--300,000 metric tons. An apatite mine, built and equipped with Soviet assistance, has also played an important role in supplying fertilizer to Vietnamese agriculture. The present vigorous development of agriculture demands additional supplies of electricity. Vietnamese and Soviet cadres of the electric sector have, in their cooperation, paid special attention to electric requirements of rural areas.

Many requirements of Vietnamese agriculture have been met by Soviet assistance through various foreign trade organizations. Over the past few years, important goods supplied by the Soviet Union have increased remarkably. These have included oil and mineral products, fertilizer, trucks, tractors, and agricultural machines. The percentage of the SRV-USSR international cooperation in developing various sectors of Vietnam's agriculture is very high. These sectors help develop Vietnam's export capability, especially industrial crops, which the Fifth CPV Congress has affirmed as a strategic line for developing agricultural production and planting tropical fruit trees and medicinal plants.

Tea planting is the most developed sector of Vietnamese agriculture. Various specialized tea-planting state farms built with Soviet assistance now have thousands of hectares of planted land. Various tea-processing factories have been built and equipped with modern machines by Soviet specialists. Coffee production also plays an increasingly important role in the two countries' cooperation. Closely cooperating with Soviet specialists, Vietnam is expanding areas for coffee cultivation in the Central Highlands' ferrallitic soil region. Many state farms are being built in this region, and their products will be exported in the future. Soviet agricultural equipment and machinery are being supplied to these sectors.

During talks between high-ranking Soviet and Vietnamese officials, both sides have emphasized the significance of cooperation in developing agricultural production in Vietnam, especially tropical vegetables and fruits to supply to Siberia and the Far Eastern part of the USSR. Over the past several years, work has been carried out in this direction, and the supply has been increased by several fold. Soviet builders and workers at oil exploitation projects in Sakhalin, a coastal region of the Soviet Union, have highly appraised Vietnam's tropical products. Cooperation in rubber planting shows very bright prospects. With assistance from Soviet specialists, 50,000 hectares of land have been prepared for rubber planting for the current 5-year plan in Vietnam. In addition, the Soviet Union has also helped train Vietnamese soil specialists to select seeds and formulate plans for zoning off a vast area for cotton planting in central Vietnam.

Vietnamese and Soviet scholars have also formulated cooperation plans on processing of agricultural products, animal feeds, and vegetation protection work; producing high-yield seeds for food, industrial, vegetable, and subsidiary crops; establishing systems of using and managing land and ricefields, mechanizing the planting and collection of cotton, and improving the production of silk, growing mulberry leaves, and raising bees.

The Soviet Union and Vietnam have established stations for breeding and selecting crops seeds to carry out experiments, using crops' genes banks, and classifying cereals, especially rice, soybean, vegetable, industrial, and animal feed crops that are suitable for planting conditions in the Soviet Union and Vietnam. Specialists of the two countries will carry out experiments on 10,000 plant species and conduct research on 70 kinds of agricultural plants to select the best plant species and hybrid seed.

CSO: 4209/291

INTERNATIONAL RELATIONS, TRADE AND AID

'GOOD DEEDS' OF VPA UNIT IN LAOS BOOST SOLIDARITY

BK121147 Hanoi Domestic Service in Vietnamese 1400 GMT 11 Mar 85

[Text] In the past, along with satisfactorily maintaining combat readiness, Group S of army volunteers in fraternal Laos has actively helped the friendly armed forces and people bring about changes for the better in many fields, making their operational area secure and strong, and defeating the enemy's insidious schemes and acts.

Using various flexible and lively methods, units of the group have joined friendly armed forces in disseminating and explaining the policies and viewpoints adopted by the party and state of the LPDR. The group has organized a total of 120 group discussions for more than 36,000 people in 135 hamlets and helped build and consolidate 29 agricultural cooperatives. Youth union members from various units of the group have joined local youths in promoting a fine cultural lifestyle, helped 33 lagging youngsters improve their way of life, and trained 136 guerrillas into marksmen. In addition, cadres and soldiers of the group have also assisted the local administration and people in opening a 4-km road; building 110 nurseries, classrooms, and trading stores; and recovering for the people 33 buffalo and cows stolen by bad elements.

Thanks to these good deeds, militant solidarity between Group S and the local people has developed ever more tightly, thereby enabling the group to fulfill its tasks satisfactorily and making its operational area ever more secure.

CSO: 4209/291

INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

BULGARIAN ARMY LECTURER VISITS--Hanoi, VNA, March 1--Colonel Mari Kovasilev, lecturer of the General Political Department of the Bulgarian People's Army, left here Thursday, concluding a nine-day working visit. (?During) his stay in Vietnam, the Bulgarian officer had working sessions with the Department for Propaganda and Training of the General Political Department of the Vietnam People's Army and gave lectures at the 7th Military Zone, the Chilang Army unit, the VPA's engineering force and the command of the Ho Chi Minh City's military service. Lieutenant General Dang Vu Hiep, member of the Communist Party of Vietnam Central Committee and deputy head of the VPA's General Political Department, warmly received Colonel Mari Kovasilev on February 27. The military attache of the Bulgarian Embassy here was present at the reception. [Text] [Hanoi VNA in English 1622 GMT 1 Mar 85 BK]

'DECOY RELEASE' PLAN CRITICIZED--Today's NHAN DAN publishes, on page 2, in the "Remain Vigilant in Defense of National Security" column, an article by Do Quang and Hoang Tien Phuc entitled: "Decoy Release Plan." The article says: The treacherous Beijing reactionaries have constantly sought, by every means possible, to annex our country. Their kidnaping of our people, bringing them to China, and forcing them to work as spies for them, is part of their overall sabotage scheme. But their perfidious schemes have failed. [Text] [Hanoi Domestic Service in Vietnamese 1000 GMT 10 Mar 85]

USE OF TOXIC CHEMICALS--According to foreign sources, on 12 March, a U.S. specialist in chemical and biological weapons, Mr (Donald Toze), in charge of the investigation group of chemical and biological weapons of the U.S. Embassy in Bangkok, told an AFP correspondent that the examination of six Cambodians considered as victims of poisonous gas did not reveal any evidence of the use of poisonous gas by the Cambodian armed forces and the Vietnamese volunteer soldiers during their attacks and mop-up operations against the camps of the Pol Pot remnants and other Khmer reactionaries in northern Cambodia. [Text] [Hanoi Domestic Service in Vietnamese 1430 GMT 13 Mar 85]

INDONESIA'S MOKHTAR TO VISIT--The paper reports that at the invitation of Foreign Minister Nguyen Co Thach, Indonesian Foreign Minister Mokhtar Kusumaatmaja will arrive in Hanoi today for a visit to our country. [Text] [Hanoi Domestic Service in Vietnamese 2220 GMT 13 Mar 85]

ARMS TO THAILAND--According to sources in Washington, the Reagan administration recently informed the U.S. Congress that it is planning to sell modern F-16 jet fighters to Thailand. The Thai Government has long sought to buy 16 of these aircraft from the United States. The same sources also revealed that last week, the Reagan administration finalized a plan to ship tanks, armored cars, and artillery shells to Thailand for use in assisting the Khmer reactionary forces operating along the Thai-Cambodian border against the Cambodian people. Public opinion holds that by selling F-16's to Thailand, the Reagan administration will take a step further in its policy of causing confrontation in Southeast Asia to deliberately maintain tension in this region and oppose the developing trend of dialogue. [Text] [Hanoi Domestic Service in Vietnamese 1430 GMT 14 Mar 85]

COMPARISON OF GREETINGS--Hanoi Domestic Service in Vietnamese at 1430 GMT on 13 March 1985 carries the 2.5 minute "text" of the "12 March" congratulatory message from CPV Central Committee General Secretary Le Duan to Mikhail Gorbachev on his election as general secretary of the CPSU Central Committee. This version has been compared with and found to be identical to the referent VNA version, except for the following: graf one, line one reads///[Text] Dear Comrade Mikhail Sergeyevich Gorbachev: [new graf] On behalf of///deleting entire first graf, supplying additional phrase, picking up graf two. [Editorial Report]

TRIBUTE TO CHERNENKO--On 12 March a delegation of the Haiphong municipal party organization and administration comprising Doan Duy Than, member of the CPV Central Committee and secretary of the municipal party committee; Nguyen Dan, chairman of the people's committee; Le Thanh Duong, deputy secretary of the party committee, and several members of the standing bodies of the municipal party and people's committees presented a wreath as a tribute to Comrade Chernenko at the Soviet consulate general in Haiphong Municipality. On behalf of the Haiphong municipal party organization, administration, and people, Doan Duy Than signed the mourning book, expressing feeling of love and regret for Comrade Chernenko. Also paying tribute to Comrade Chernenko at the Soviet consulate general were leading cadres of organizations, mass organizations, the Vietnam Fatherland Front Committee, the SRV-USSR Friendship Association, the Vietnam Confederation of Trade Unions, the Ho Chi Minh Communist Youth Union, and municipal women's union, and representatives of the navy, the 3d Military Region Command, and the municipal armed and security forces. [Text] [Hanoi Domestic Service in Vietnamese 2300 GMT 12 Mar 85]

VIETNAMESE-LIBYAN TIES ANNIVERSARY--Hanoi, 14 Mar (VNA)--Vietnamese Foreign Minister Nguyen Co Thach today extended his warmest congratulations to Dr 'Ali 'Abd al-Salam al-Turayki, secretary of the people's committee for the people's bureau for foreign liaison of the Socialist People's Libyan Arab Jamahiriya on the 10th anniversary of the establishment of diplomatic relations between Vietnam and Libya (15 March). His message said: "In am very glad to note that there have been fine developments in the friendly relations and cooperation between our two countries over the past years. I firmly believe that the militant solidarity and cooperation between our two peoples will consolidate and develop with every passing day. May the Libyan people record many new achievements in their struggle in defending the gains of the glorious 1 September revolution and building a progressive and prosperous Libya." [Text] [Hanoi VNA in English 1624 GMT 14 Mar 85]

PARTY ACTIVITIES AND GOVERNMENT

PHAM VAN DONG ADDRESSES TRADE CONFERENCE

BK021743 Hanoi Domestic Service in Vietnamese 0500 GMT 2 Mar 85

[Text] The Council of Ministers recently held a conference in Hanoi to discuss the task regarding internal trade and market management. Attending were the chairmen and vice-chairmen of various provincial and city people's committees, directors of many trade offices, and representatives of various ministries, sectors, and related agencies of the Council of Ministers. Comrade Tran Phuong, member of the party Central Committee and vice chairman of the Council of Ministers, presided over the conference. Comrade Pham Van Dong, member of the party Central Committee Political Bureau and chairman of the Council of Ministers, attended and addressed the conference.

In 1984, the internal trade sector controlled the source of goods more satisfactorily than the preceding years. The supply of goods to various recipient units, including the Armed Forces, industrial complexes, and urban areas, was adequate and more regular than before. Meanwhile, the expansion of business activities, the selling of goods at industrial promotional prices, and the handling of public food catering services had a positive impact on market management. The state-run trade sector and marketing cooperatives, especially those marketing cooperatives at the village and city ward levels, were consolidated and developed. The transformation of the privately-run trade sector and the market was expanded in almost all provinces and was focused on various kinds of goods ranging from grain and foodstuffs to consumer goods. Many localities adopted various transitional economic measures to transform and handle traders by shifting part of them to production and support services.

The socialist trade sector has increased its retail services and has begun tipping the balance of forces on the market in favor of socialism. All these have, however, been only initial results, which are not regarded as sufficiently strong, even, and stable.

In purchase activities, it is noted social products have not been adequately put under state control, that the trading volume of agricultural, food, and secondary forestry products has not yet been remarkable, that artisan and handicrafts articles, imports for use by certain localities, and goods reserved for state stores have still been found on the free market, and that due to unsatisfactory management by state stores and cooperatives, some quantities of goods purchased have been damaged or lost and have, in some cases, been smuggled out and fallen into the hands of private traders.

In retail services, consumer industrial goods and construction materials have been in short supply. The management of retail services has not yet been good enough. Many organizations have dealt in the same kinds of goods in the same locality.

In transformation and construction, the state-run trade sector has not yet been able to develop fully the strength of the entire system. Many centrally-run meat wholesale corporations have not yet set up local branches, purchase stations, storehouses for wholesale services to stick to the sources of goods and have been absent from many areas. That is why they have not yet been able to gather various sources of goods and to maneuver their forces in a flexible and rational manner.

District trade corporations in various localities are still weak. A number of localities have had many trade corporations belonging to different trades dealing in the same kinds of goods in the same locality. This has led to the scattering of forces and the upheaval of prices and trading procedure. Marketing cooperatives in many localities have not yet been used as agents to buy or sell goods for the state-run trade sector.

A number of localities have been sluggish and lack determination in struggling against speculators, smugglers, thieves, saboteurs, and goods counterfeiters. In certain sources of goods, including those in key areas, private trades have continued to do their business. Despite the socialist trade sector's efforts to surge forward to control wholesale and retail activities, it has not yet been able to win the upper hand over the privately-run trade sector, particularly with regard to the diversity of goods, trading facilities, and the forms of services.

The state's inspection and control over private traders' operations have not been adequately carried out and there has still been confusion on the part of state-run economic organizations such as misinterpreting trade policies and causing prices to soar. State-run trade management organs have failed to fulfill adequately their responsibility and to exercise their authority for unified control over the domestic market.

On behalf of the party Central Committee and the Council of Ministers, Chairman Pham Van Dong cited the achievements scored by the internal trade sector in the recent past, especially those achievements scored by various provinces and cities throughout the country. In these localities, the internal trade sector has made many important and encouraging improvements over the securing of the sources of goods as well as over the transformation and handling of the state-run socialist trade system, including the state-run trade sector and marketing cooperatives. This is to proceed toward achieving unified control over the market, arranging convenient trading activities for the people, and carrying out profit-and-loss accounting in trade in an effective manner.

Chairman Pham Van Dong pointed out basic concepts and policies on internal trade, taking into account the current situation in our country. The

internal trade sector has the dual functions of providing support services and and engaging in trade business. In 1985, the state must basically achieve unified control over the market. Led by the party, the state must delegate to the internal trade sector the necessary authority to enable it to operate effectively and, at the same time, must help the internal trade sector gradually build its material-technical bases. Specific attention must be given to the organization and cadre problems of the sector from the central down to the grass-roots levels. This is because in many localities, the internal trade sector still has no small number of cadres and workers who are weak in various respects and even spoiled. The internal trade sector must consolidate its contingent of selective cadres, conduct study sessions for them, and regularly inspect them if it is to build a contingent of qualified and talented internal trade cadres who know how to handle their services and to deal with management and trade.

The chairman brought forth three objectives for the internal trade sector to achieve in 1985. Basically, the state must achieve unified control over the market, trying to increase the amount of goods reserved for the working people by at least 10 percent, to reduce traffic taxes as well as to reduce waste and losses within the sector by at least 15 percent.

All those attending the conference expressed their unanimous agreement and their determination to achieve all those principled objectives suitable to the current situation in the country as advised by Chairman Pham Van Dong.

CSO: 4209/290

PARTY ACTIVITIES AND GOVERNMENT

HANOI PARTY COMMITTEE MEETS ON COUNCIL ELECTIONS

BK111129 Hanoi Domestic Service in Vietnamese 2300 GMT 10 Mar 85

[Text] The Hanoi municipal party committee on 9 March held a conference with representatives of wards, districts, branches, sectors, and mass organizations to grasp firmly the law on organization of and elections for the people's councils and committees and to discuss measures to prepare for ensuring good results in the elections.

The conference heard the decision of the Council of Ministers on the establishment of the Hanoi municipal election council and the composition of its members. The Hanoi Municipal People's Council in its ninth term will have 150 councillors elected from 51 electoral units throughout the capital.

After reviewing recent preparatory tasks, the conference decided on a number of measures aimed at strengthening comprehensive supervision and leadership of various party committee echelons and of the local administration for the elections. The conference urged all sectors concerned to disseminate comprehensively the law on the elections for people's councils; organize courses to improve skills of lecturers carrying out propaganda work; and accelerate various emulation movements in productive labor, thrift, and maintaining social order and safety.

CSO: 4209/291

PARTY ACTIVITIES AND GOVERNMENT

CPV SECRETARIAT CONVENES AGRICULTURE CONFERENCE

OWI71241 Hanoi Domestic Service in Vietnamese 1100 GMT 16 Mar 85

[Text] The CPV Central Committee Secretariat held an all-nation conference of the Agriculture Department in Danang city, Quang Nam-Danang Province, from 9 to 14 March. Comrades Nguyen Thanh Binh, secretary of the CPV Central Committee, and Vu Dinh Lieu, member of the CPV Central Committee and vice chairman of the Council of Ministers, attended and addressed the conference.

The conferees heard representatives of the Agriculture Department of the CPV Central Committee, the Ministry of Agriculture, the Ministry of Marine Products, the Ministry of Forestry, the Rubber General Department, and Quang Nam-Danang Province report on the results of the implementation of the CPV Central Committee Secretariat's directives on the product contract system in agriculture, socialist transformation of agriculture in the southern provinces, land and forest allocation, developing and organizing production and trade activities in accordance with the mode of blending agriculture and forestry, and encouraging and guiding the people in developing a family-based economy.

The conferees discussed measures to effectively implement the CPV Secretariat's new directives, including the directives on consolidating and improving state-run production and technical service units in agriculture and on consolidating and strengthening socialist production relations in the rural and mountainous areas.

The conferees devoted much time to discussing and contributing views on the draft plan to continue reforming, developing, and perfecting the production relations of developed socialism and on applying the fishery-forestry-agriculture and forestry-agriculture modes in the border and coastal areas.

CSO: 4209/291

PARTY ACTIVITIES AND GOVERNMENT

CPV DIRECTIVE ON RURAL MOUNTAINOUS AREAS

BK281125 Hanoi NHAN DAN in Vietnamese 4 Feb 85 p 2

[*"Full text"* of CPV Central Committee's 29 January 1985 directive on consolidating and strengthening socialist production relations in the rural areas of mountainous regions]

[Text] I. Current State of Cooperativization in the Mountainous Regions

In past years, the people of all nationalities in our country have warmly responded to the line and policies of the party and state, enthusiastically participated in the movement for cooperativization, carried out the three revolutions, and gradually advanced the mountainous regions to socialism. In the northern mountainous regions, socialist production relations have been broadly established. Since liberation day, the people of various nationalities in the southern mountainous regions have ardently participated in the establishment of production solidarity cells, production collectives, cooperatives, state farms, and state forests in order to boost production and build a new countryside. The change in production relations has generated a new production impetus; accelerated the development of production, technology, and culture; and positively contributed to consolidating national defense and security and strengthening the solidarity bloc among the people of various nationalities. All this has gradually changed the appearance of the mountainous regions.

However, the movement for cooperativization in the mountainous regions still remains unstable and unable to meet the requirements for developing agriculture, forestry, and the processing industry in order to improve the living conditions of the people of all nationalities, positively resolve the supply problem locally, and provide ever greater quantitites of raw material for industry and goods for export. In many mountainous regions, the economy is heavily characterized by natural conditions, monocropping agriculture, and land expansion; forests continue to be destroyed; handicrafts develop at a slow pace; and the people are still encountering difficulties and privations in their daily lives.

In many localities, cooperatives have continued to remain weak for a long time or only exist for the sake of form.

This situation has come about because the various echelons and sectors do not fully understand the party's line on transforming and developing agriculture, nor do they apply that line strictly in accordance with the socioeconomic conditions of each area in the mountainous regions. The orientation for combining agriculture and forestry with the processing industry has not been tailored to suit each area, nor has it been carried out satisfactorily in each establishment and at the district level. Organizationally, cooperatives have been mechanically patterned after the rice-growing cooperatives in the low-lands with regard to production orientations and organizational formats and scales. The management of the state-run and collective economies is still deeply influenced by the bureaucratic system of subsidy-based management. Many state-run economic units have failed to expand their operations and have sustained continued business losses. Appropriate investments have not been made in the mountainous regions for building material-technical bases, applying scientific-technological innovations in production, and improving the people's material and cultural life. The existing economic policies designed to bring into full play the advantages of the mountainous regions have not been carried out satisfactorily, and specific policies suited to the new situation and tasks are lacking. Close guidance has not been given to the training of cadres and their assignment to basic units and districts in the mountainous regions.

II. Policy for Consolidating and Strengthening Socialist Production Relations in Rural Areas of Mountainous Regions

Mountainous regions cover three-fourths of our country's territory and hold a specially important position in the political, economic, national defense, security, and social domains. Economically, they are important agro-industrial and forestry regions and play a great role of protection in ensuring ecological balance and a sound environment for the entire country. Vigorously developing agriculture-forestry-industry in the mountainous regions is a spearhead of our country's strategy of socioeconomic development.

We should urgently consolidate and strengthen socialist production relations in the rural mountainous areas along with building districts and strengthening the district level in order to fulfill the following requirements:

-- Build and develop the right to socialist collective mastery of the people of various nationalities; accelerate vigorously the three revolutions; comprehensively, vigorously, and steadily develop agriculture, forestry, handicrafts, and industry in accordance with the strong points of each area to improve constantly the living conditions of the people of various nationalities, resolve the supply problem locally, and build a socialist mountainous countryside; and provide ever more raw material for the processing industry and goods for export, thereby making a positive contribution to socialist industrialization nationwide.

Concerning production relations, it is necessary to apply flexible forms of cooperativization, going from simple to complex; and to enforce broadly the policy of giving product contracts to labor groups and laborers in accordance with the production characteristics of each unit and each area.

-- Positively contribute to consolidating and strengthening national defense and security.

-- Consolidate and strengthen the solidarity bloc among the people of various nationalities.

To achieve these aims, it is necessary to carry out satisfactorily the following guidelines:

1. Complete neatly the allocation of land and forests:

Based on the general plan and on the distribution of manpower and land (forests, hills, fields, and water areas) in each village and each production unit, all districts must quickly go ahead with the allocation of land and forests to various production units (state farms, state-run forestry sites, cooperatives, production collectives, production solidarity teams, schools, and military units).

State farms and state-run forestry sites must reexamine their capabilities in production and business and must rationally redetermine the size of and promptly provide to districts those land areas that they cannot use so the latter can help distribute them to other units for use.

Districts must provide specific guidance to cooperatives and production collectives and must provide land and forests to cooperative members. Village administrations must provide land and forests to private peasants (in localities where collective production relations do not exist) so the latter can carry out crop cultivation and preservation in accordance with the conditions in each areas.

2. Determine and apply an appropriate economic structure suitable to the situation of each area and each establishment.

We must carry out guidelines for achieving a combination between agriculture and forestry and between branches and trades right in each production unit at the grass-roots level in accordance with the general plan of the relevant district. We must eliminate the practice of monocropping and must link the reorganization and development of production at the grass-roots level with the reorganization and development of agriculture-forestry-industry (or forestry-agriculture-industry) in districts and provinces.

Depending on the specific situation in each area, we can choose forestry, industrial crop production, animal husbandry, or grain production as a main target. However, we must carry out production and business in a comprehensive manner. Attention must be paid to making full use of land to plant short-term crops. We must link production with processing if product value and quality are to be improved. In localities where land areas under rice cultivation are too small or fragmented, relevant cooperatives and production collectives must let cooperative members' families take over rice cultivation, leaving cooperatives and production collectives free to concentrate on developing the hill-and-forest-based economy.

Every production establishment must make full use of land areas that can be exploited for grain production and must strive to carry out intensive cultivation of various grain crops (including rice and subsidiary food crops). It must organize satisfactorily the processing of subsidiary food crops and must change the people's daily diet in order to increase the grain output and resolve the food problem locally. On the other hand, efforts must also be made to resolve the grain problem through economic cooperation and integration and the exchange of products with other localities and through export and import activities. We must resolutely restrict and then eliminate the destruction of jungles through slash-and-burn agriculture. Provinces and districts must strive to increase their capital investments in building material-technical bases, develop their technical means (crop seeds, fertilizer, and insecticide), and vigorously apply scientific and technical innovations in achieving a quick increase in grain output and yields and a rapid development of all the strengths of localities.

We must expand the exchange of goods between production units and economic sectors in mountainous regions; develop district towns, townships in socio-economic centers, and rural markets; and organize the system of storehouses for the state-run trade sector and marketing cooperatives. The state-run trade sector and marketing cooperatives must organize satisfactorily the purchase of goods. It is also necessary to expand economic exchange among mountainous, lowland, and urban areas.

We should satisfactorily carry out the task of settling nomads in close connection with reorganizing production and life in each primary installation.

3. As regards the form of organizing production and the management procedures:

We should use flexible forms of organizing production that are suitable to the characteristics of each locality and each sector. The forms must be state-run, collective, family-based, or individual. We should combine these forms closely, linking the state-run, collective, family, and individual economies within the socialist economic structure.

a. With respect to those agricultural cooperatives organized on rational scales in low-lying areas, depending on the cadres' level of managerial knowledge, we should stabilize the scales, reorganize production teams, and improve managerial procedures in the cooperatives. Part of the authority of controlling production and business operations may be delegated to production teams, authorizing the teams to use their own capital and workforce to expand production and business and to increase the income of their members and the quantity products for the state. The teams will be authorized to maintain internal accounts of their production. The management committees of cooperatives will perform their duties of combining plans; ensuring the main balances for teams according to their production plans and the cooperatives' plans for delivering products; managing the construction of material, technical, and welfare facilities for the entire cooperatives; and establishing an alliance with the state-run installations of production, technical service, and

circulation and with credit and marketing cooperatives to fulfill the requirements of cooperatives for capital, materials, and consumer goods and for selling their products.

In those localities where collectivization has just started or the cooperatives have just been reorganized after several setbacks, we must readjust land allocation, redetermine the production guidelines and the managerial procedures for awarding contracts and setting contract norms, and organize cooperatives on a small scale under only one level of management like the production collectives in Nam Bo. Generally speaking, we should organize small-scale cooperatives in each hamlet and each village to facilitate the movement and activities of the cooperative members and to suit the management ability of cadres. Two or three small cooperatives can be organized in large hamlets and villages. These small cooperatives will perform joint business by pooling their assets and manpower to build the material and technical bases and the public welfare projects for the hamlets and villages.

In cooperatives, we should satisfactorily implement the principle of distribution according to labor and depending on the specific situation, distribution can be made according to the assets (distribution of interests) in order to encourage the cooperative members to contribute more shares beyond the prescribed norms to the cooperatives' capital.

We should implement the policy of contracting finished products with groups of workers and individual workers in conformity with each sector and each production and business job; with the managerial ability of cadres and the conditions of the material and technical bases of cooperatives in each region without being mechanical and copying. The general requirement is to determine clearly the portions, norms, and time of contracts in line with the types of soil, crops, and breeds and with the cooperatives' realistic capability of maintaining material balances. The cooperative members should be entitled to benefit from perennial crops on the contracted land. We should stabilize the establishment of contract norms for a given time to encourage families to overfulfill them.

Depending on the specific conditions of each zone, cooperatives or production teams may undertake only the main tasks of providing technical services and necessary materials and award contracts for the remaining task to cooperative members' families. The families should be immediately awarded contracts on many types of land and products so that they can grow crops, raise animals, do forestry work, and work at other trades and jobs. However, depending on their abilities, they should be gradually awarded contracts for some types of crops, livestock breeding, and handicrafts. In those localities where production depends greatly on natural conditions and cooperatives have not had conditions to cover the costs of production and other technical services, the cooperatives should award the contracts wholly to families for those main expenses and part of those products to be delivered to collectives. As regards those regions with depleted soil, cooperatives may award contracts to each individual household or groups of families that have the manpower and experience to cover bare hills with greenery, restore natural forests, and grow special

crops as planned. Cooperatives may draw benefits from such contracts as they do from the family economy.

b. In some of the thinly populated Meo highlands, where the means of production are too rudimentary and lacking, communications are difficult, or combat readiness must be constantly maintained, we can maintain the form of individual production and must not necessarily build cooperatives and production collectives. However, we should organize peasants into solidarity production teams.

c. We should broadly organize the network of marketing cooperatives in the mountainous regions with shops in hamlets and villages to purchase and collect products and to provide materials and consumer goods to cooperatives and peasants' households in the hamlets and villages. We should struggle to master the market and strengthen the activities of credit cooperatives in order to mobilize capital among the people to serve collective production and business and to support needy families lacking manpower and capital, thus creating conditions for eliminating usury in the countryside.

d. Along with consolidating and strengthening the relations of collective production in the rural and mountainous areas, we should pay attention to the development of industry and handicrafts, the production of tools, and the processing industry and firmly consolidate the state-run industrial installations, farms, and forests, and the installation of technical services for agriculture, forestry, fishery, industry, and trade service so that the state economy in districts can lay the central role of leading and guiding production, processing, and consumption.

The relations between the state economy in districts and the economy of cooperatives and other economic forms can be maintained through the technical services operations, two-way contracts, and the purchase and consumption of products.

e. The mountainous districts should organize well the economic integration of economic units in districts and should initiate action to establish alliances with lowland districts to secure the capital and workforce to exploit land and develop agriculture, forestry, industry, various sectors, and trade.

f. The state-run agricultural, forestry, and fishery installations at the central and provincial levels in the major areas of specialized cultivation that are located in districts must be placed under the territorial management control of the district people's committees. They are to be combined with the collective, family, and individual economies in production and business so that the material and technical bases and manpower in the regions can be rationally used.

4. We should intensify the construction of material and technical bases and accelerate the application of scientific and technical innovations to production.

We should quickly disseminate and apply the scientific and technical progress, especially biological achievements, in combination with the development of good experiences of localities in order to increase the productivity, quality, and production volume of crops and animals in conformity with the conditions of land and weather in each region.

Utmost attention should be paid to the building of medium and small size irrigation and hydroelectric projects and installations to process agricultural and forest products.

Priority investment should be made in the development of communications, roads, and transportation facilities. We should quickly build various axes of communications in the important and critical economic areas and roads from provincial capitals to district towns and from district towns to economic centers. We should increase motorized transportation facilities on the main axes, encourage the development of rudimentary and semi-mechanical transportation facilities, and organize various forms of transportation by collectives and private individuals.

5. We should develop culture and build a new socialist countryside.

Along with consolidating and strengthening production relations and developing production, we should accelerate the development of a new socialist countryside, pay attention to eliminating illiteracy and conducting supplementary education for the people of various nationalities, organize classes for children, develop the public health network and the sanitation and disease prevention movement, and mobilize the people to eliminate superstition.

III. Organize Leadership and Implementation

To cooperativize and develop agriculture, forestry, and the processing industry in the mountainous areas is the common responsibility of the entire country.

1. First, the party committee echelons and the administration at all levels in the mountainous areas should uphold even higher the spirit of self-sufficiency and self-support to actively surge forward and develop adequately the ability of the local party organization and administration in the implementation of this important task.

We must specially emphasize the task of perfecting and strengthening the district level by quickly completing the division of responsibility to districts, making the district level really capable of reorganizing and developing the forestry-agriculture-industry economy, of improving economic management in districts, and of helping villages and primary production units reorganize and develop production and constantly consolidating and strengthening the relations of socialist production in the rural and mountainous areas.

We must strive to consolidate the party bases, administration, and mass organizations, making them healthy and strong; urgently conduct basic and

advanced training of cadres for primary units and assign more cadres to the primary units in the important and critical but still weak areas; intensively mobilize the masses to develop the people's collective mastery; and, by all means, launch a seething revolutionary movement among the people to strengthen the relations of socialist production, develop production, and build a new socialist countryside.

The provincial party committees, people's committees, and sectors at the provincial level, especially the economic sectors, should formulate specific plans to guide districts and primary units in satisfactorily reorganizing and developing production, consolidating and strengthening production relations, and improving economic management. We should stay close to realities, intensify control and supervision over the implementation of directives by subordinates and primary units, and regularly make a preliminary and general review of experiences so as to promptly develop good models and new factors and to correct and overcome mistakes.

2. The central sectors should refer to this directive to review their policies, plans, and responsibility for developing the economy and consolidating and strengthening socialist production relations in the mountainous areas in order to make necessary amendments to the guidelines and policies concerning the areas within their jurisdiction, to provide leadership and guidance, and to create favorable conditions for mountainous localities to fulfill this task satisfactorily.

The Propaganda and Training Committee should guide the propaganda and press agencies in actively conducting propaganda for the consolidation and strengthening of socialist production relations in the rural and mountainous areas. The party Central Committee Organization Department should formulate urgent plans to assign more cadres to the mountainous provinces and districts. The party Central Committee Department of Agriculture together with the various sectors in the agriculture bloc is responsible for helping the party Central Committee Secretariat proceed with the implementation of this directive.

CSO: 4209/290

PARTY ACTIVITIES AND GOVERNMENT

HO CHI MINH CITY YOUTHS MOTIVATED TO JOIN ARMY

BK031406 Hanoi Domestic Service in Vietnamese 0500 GMT 3 Mar 85

[Text] In recent days, the party organizations, people, and youths in various wards, villages, precincts, and districts of Ho Chi Minh City carried out activities in many diversified forms to motivate and create favorable conditions for youths selected for military service in this phase to enthusiastically join the Army.

The Ho Chi Minh Communist Youth Union [HCMCYU] organizations in various wards of the 1st, 3d, 5th, and 6th precincts held friendly get-togethers with these youths to exchange views on the role of youth in national defense. The women's union organizations and association of soldiers' mothers in various precincts and districts also met with families of those whose husbands, brothers, and sons are ready to join the Army. On behalf of the people in their precincts and districts, they motivated these youths and entrusted them with the task of defending the country.

During the same period, the youth union organization in the 1st Precinct admitted 104 outstanding youths, who will join the Army soon, to the HCMCYU. Hundreds of youths in the 11th and 3d Precincts had also been admitted to the youth union before joining the Army.

Thanks to the solicitous care of the party and people, all the youths selected for military service in the first phase of this year appeared to be at ease and enthusiastic to join the Army and determined to undergo training satisfactorily.

CSO: 4209/290

PARTY ACTIVITIES AND GOVERNMENT

RESOLUTION ON STATE FARM, FOREST MANAGEMENT

BK031403 Hanoi Domestic Service in Vietnamese 0500 GMT 3 Mar 85

[Text] The Council of Ministers recently issued a resolution on improving the management of state farms and state forests. For state farms, the immediate task is to reorganize production and ensure that production is developed in accordance with state programs and plans with the aim of bringing into full play the strong points of sectors, regions, and localities. It is necessary to closely combine the state-run economy with the collectivized and family-based economies and to develop the guiding role of the state-run economic component in socialist agriculture.

In 1985, the Ministry of Agriculture, the Ministry of Food Industry, the General Rubber Department, and the people's committees of provinces, municipalities, and the special zone shall, together with the State Planning Commission, review production plans and orientations as well as the operational scope and efficiency of the existing state farms in order to correctly improve the organization of production and economic management. The state farms' production orientations must clearly reflect the principle of specialization; and at the same time, comprehensive business must be practiced to satisfactorily develop the economic potentials of lands and the existing capabilities of each state farm concerning labor, machinery, and equipment.

It is necessary to develop various forms of cooperation, integration, and joint business among state farms as well as between state farms with the processing industry and service sectors, and with cooperatives, production collectives, and the family-based economy; to carry out production scientifically; to apply technological innovations in production; to build material-technical bases; and to organize better services for production and life. Along with specializing in crop cultivation and livestock breeding, every state farm must plant trees, raise fish, and make full use of all the available material conditions to engage in comprehensive business activities.

On the basis of reorganizing production according to economic-technical branches, it is necessary to immediately carry out the decentralization of state farm management. Those state farms producing pure-bred seedlings and animal breeders or producing agricultural products in cooperation with foreign countries for export shall be placed under the central government's direct

management. The management of other state farms must be decentralized at an early date to the provinces and districts. In improving state farm management, efforts must be concentrated on improving planning, material supply, product distribution, and economic accounting; ensuring autonomy over financial matters--including self-acquired capital, capital invested in capital construction, liquid assets, profit, and profit distribution--encouraging the production of agricultural products for export; and observing the policies on prices, labor, wages, and bonuses.

For state forests, in reorganizing production, efforts must be concentrated on satisfactorily managing and preserving the allocated forest resources and lands in order to rapidly build up forest assets in accordance with the approved business programs and plans. On the basis of the specific zoning plan for each locality or district, it is necessary to rearrange the system of organizing production and business activities, set up state forests, and proceed with allocating lands and forests to cooperatives and peasants for management and business purposes.

Intensive investments must be made to increase the production capacity of state forests in important forestry regions. In areas with a large concentration of forests where a unified economic goal has been adopted and close economic-technical relations have been established with industry and agriculture, forestry-agricultural-industrial combines may be set up. Every state farm, apart from the task of specialized cultivation, must make full use of material conditions to produce extra grain and food and agricultural products for export.

In improving state forest management, efforts must be concentrated on carrying out in a truly satisfactory manner planning and economic accounting and improving the financial system and the distribution of products so as to encourage production for export. It is necessary to improve the system for labor acquisition and the wage system and to care for the living conditions of state forest cadres and workers.

Along with the improvement of economic management, the Council of Ministers emphasized the need to revamp the apparatus in charge of managing state forests and forestry-agricultural-industrial combines and to strengthen state management toward state forests with the aim of enhancing the guiding role of state-run forestry enterprises at the district and provincial levels and in each economic zone of the country.

CSO: 4209/290

PARTY ACTIVITIES AND GOVERNMENT

DECREE ISSUED ON RULES FOR COMMENDATIONS, AWARDS

BK011417 Hanoi Domestic Service in Vietnamese 2300 GMT 28 Feb 85

[Text] The Council of Ministers recently issued a decree promulgating rules on the presentation of commendations and awards for achievements in fulfilling state plans and other tasks.

Article 1 of the decree defines the recipients of commendations and awards and the specific criteria for eligibility that must be met by sectors, localities, state organs, state-run and collectivized economic organizations, cadres, workers, state employees, association members, and private citizens.

The rules also stipulate the authority and procedures for considering and approving commendations and awards and propose different levels of commendations and awards--from the ministerial, provincial, and municipal to the Council of Ministers levels--subject to (? ratification) by the Council of State.

The decree also specifies the public announcement of commendations and awards given to collective or individuals in recognition of their achievements in fulfilling regular annual or special periodic state plans and the revocation of commendations and awards given to collectivized units or individuals based on falsified achievements or to collectives or individuals who are found to be no longer worthy of such commendations and awards.

CSO: 4209/290

PARTY ACTIVITIES AND GOVERNMENT

WATER CONSERVANCY SECTOR REVIEWS 1984 TASKS

BK021529 Hanoi Domestic Service in Vietnamese 2300 GMT 1 Mar 85

[Text] The Ministry of Water Conservancy held a conference 22-26 February in Ho Chi Minh City to review its 1984 tasks and discuss measures to carry out the 1985 work. Vu Dinh Lieu, member of the CPV Central Committee and vice chairman of the Council of Ministers, attended and addressed the conference.

In firmly grasping the policy and guidance of the party Central Committee and in implementing the state plan, the water conservancy sector has discussed democratically various measures, from the local to central levels, to formulate orientations and effective designs for ensuring sufficient water to irrigate 4.5 million hectares of ricefields in 1985, thereby contributing to, together with other sectors, fulfilling the target of 19 million metric tons of grain. The sector must also integrate efforts to irrigate the winter-spring and summer-fall crops.

Regarding tasks on preventing and controlling natural calamities, the sector has made good preparations since early this year by strengthening various dikes and sewers, reserving more materials, and reinforcing key dikes and dike-supporting structures in the north, especially in Vinh Phu Province, Hanoi Municipality, Ha Bac, Hai Hung, and Thai Binh Provinces. For the Mekong River Delta provinces, the sector has integrated manpower and equipment to strengthen various dikes and help peasants to harvest the summer-fall rice.

On behalf of the Council of Ministers, Comrade Vu Dinh Lieu commended the water conservancy sector for its achievements during the past year. He urged cadres and personnel of the sector to grasp firmly the resolutions of the party Central Committee's sixth and seventh plenums, ensure sufficient irrigation water and an effective drainage system, and help peasants and people accelerate intensive cultivation--especially of rice--thereby contributing to fulfilling the target of 19 million metric tons of grain in 1985.

CSO: 4209/290

PARTY ACTIVITIES AND GOVERNMENT

BRIEFS

LIBERATION ANNIVERSARY MEETING--Hanoi, 16 Mar (VNA)--A meeting was arranged in Gialai-Cong Tum Province, Central Highlands, this afternoon in celebration of its 10th liberation anniversary (17 March). It was attended by Nguyen Van Sy, member of the Communist Party of Vietnam Central Committee and secretary of the provincial party committee; Y Mot, member of the CPV Central Committee and deputy secretary of the provincial party committee; Lieutenant General Dang Vu Hiep, member of the CPV Central Committee and vice defense minister; Senior Lieutenant General Hoang Minh Thao, director of the High Level Military Institute and former commander-in-chief of the Central Highlands Battlefront; Phan Hong, chairman of the provincial people's committee and many others. Representatives of the two sister provinces of Attapu of Laos and Rattanakiri of Kampuchea also attended the meeting. Addressing the meeting, Pham Hong brought out the achievements recorded by the local population and army in all domains, political, economic, social security and national defense over the past 10 years. [Text] [Hanoi VNA in English 1613 GMT 16 Mar 85]

COUNCIL ON GIA LAI-CONG TUM--Pursuant to Article 100 of the SRV Constitution, and at the request of the Council of Ministers, on 13 March Chairman Truong Chinh signed a decision of the SRV Council of State awarding the Gold Star Order to the people of various nationalities and cadres and combatants of Gia Lai-Cong Tum Province. The conferring of the order is in recognition of their great services and achievements during the 40 years of revolutionary struggle against foreign aggression and for the construction and defense of the socialist fatherland. [Text] [Hanoi Domestic Service in Vietnamese 1430 GMT 13 Mar 85]

ORDER ON DAC LAC--On 7 March, Chairman Truong Chinh signed a decision of the SRV Council of State which says: By virtue of Article 100 of the SRV Constitution and based on a recommendation of the Council of Ministers, the Council of State hereby confers a Gold Star Order on the people, cadres, and combatants of Dac Lac Province for their great efforts and achievements in 40 years of revolutionary struggle against foreign aggressors and in building and defending the socialist fatherland. [Text] [Hanoi Domestic Service in Vietnamese 2300 GMT 8 Mar 85]

NEW HANOI PARTY MEMBERS--The Hanoi municipal party organization over the past year recommended 10,261 outstanding youth unionists for party membership; 2,328 of them were admitted to the party making up 53 percent of the total new party members. The Youth Union also organized a seminar on the glorious tradition of the party for its members. It has established revolutionary action programs for more than 100,000 unionists to accelerate production and conduct scientific research at various institutions. [Summary] [Hanoi Domestic Service in Vietnamese 1300 GMT 25 Feb 85 BK]

INFORMATION-PROPAGANDA TEAMS--More than 5,400 grassroots information teams countrywide are carrying out propaganda in service of the compatriots and combatants. In the border provinces of Quang Ninh, Lang Son, Cao Bang, Ha Tuyen, Hoang Lien Son, and Lai Chau and the central highland provinces where large numbers of ethnic minority compatriots live, many grassroots information teams, using ethnic minority dialects in radio broadcasts and wired-radio transmissions, have kept the masses informed of party and state positions and policies. Particularly, in the districts and villages of the northern border, the information-propaganda teams, remaining close to their respective localities and the local people, have carried out propaganda against the Beijing expansionists' war of sabotage and psychological warfare. Also, the information-propaganda teams have coordinated their activities with platoons of the local militia and self-defense forces and border defense stations in organizing joint propaganda nights to provide information in a timely manner while holding exhibits, film shows, and literary and artistic performances in service of the compatriots and combatants. [Text] [Hanoi Domestic Service in Vietnamese 1100 GMT 10 Mar 85]

CSO: 4209/290

ECONOMIC PLANNING, TRADE AND FINANCE

EDITORIAL URGES END TO BUREAUCRACY, EXPANSION OF SOCIALIST MARKET

Hanoi NHAN DAN in Vietnamese 16 Jan 85 pp 1, 4

[Editorial: "Abolish the Excessively Bureaucratic Mechanism, Expand the Socialist Market"]

[Text] With a thorough understanding of the resolutions of the sixth and seventh Central Committee plenums on realistic achievements to be made to celebrate the 55th anniversary of the founding of the party, many localities throughout the country have recently made clear-cut changes by abolishing the excessively bureaucratic management mechanisms and by shifting to the economic accounting and socialist business method and have vigorously moved forward to master the market. Many truly energetic measures have been taken according to the actual situation in each region. Three types of measures--constructive, reformatory and managerial of which the fundamental ones are aimed at developing socialist commerce and gradually substituting it for other economic components in the social market--have been uniformly coordinated and actively implemented. In the social market, the ratio represented by state commerce and marketing cooperatives has been raised obviously not for only staple commodities necessary to daily life but also for household utensils, readymade clothes service activities and so forth. More sales counters and shops belonging to the socialist commercial sector have been opened to deal in various kinds of goods in almost all markets, communication centers and places with heavy traffic, including large cities and provinces in the remote border, coastal and mountainous areas. Truly speaking, the socialist market is being expanded step by step and the private traders' battlefield gradually narrowed down. For some kinds of goods, such as grain and pork, socialist commercial activities represent over 90 percent of the social market. For others, such as legumes, cigarettes, packaged tea, cloth, bicycle spare parts and processed food, the socialist commercial sector has begun to gather strength to compete with private traders. The new socialist order has been established gradually in the distribution and circulation field. Beside supplying fixed rations of staple commodities on a relatively regular monthly basis to cadres, manual and office workers and the armed forces, the socialist commercial sector including state-operated units and marketing cooperatives have also managed to grasp a noteworthy volume of goods--two or three times larger than last year for some commodities--and has offered them for sale at business maintenance prices, thus reducing the frequency of major market fluctuations and quickly serving production purposes and meeting daily needs. Actual facts have demonstrated ever more clearly that at a time when production is still underdeveloped and the

volume of goods not yet abundant, if party committees and administration at all levels pay due attention, provide timely guidance and help the socialist commercial sector make energetic efforts in the right direction, the state will be fully able to take hold of goods and currency and to control the market and prices and consequently to create conditions to promote production development, to stabilize the people's life and hence to advance to a higher level of market mastery.

Whether socialist commerce can master the market depends on a very important and decisive factor—that is, the acquisition of goods. Adequate purchase and acquisition of agricultural and good products and industrial goods at their sources are basic tasks aimed not only at supplying enough staple commodities to salaried people but also at providing conditions for increasing the strength of socialist commerce so that it may control the unorganized market, reform private trade and stabilize prices and the laborer's life. One of the reasons for the above-mentioned progress is the endeavor of the agricultural, industrial and marine products sectors to step up production; another is the noteworthy shift initially effected by party committees and the administration at various levels in guiding innovations in management, distribution, circulation and business methods. The socialist commercial sector also has effected vigorous changes in reorganizing its commercial forces and merchandise branches, in improving their service methods, in employing, managing and reforming private traders and in expanding the scope of business activities and joint ventures of the state commercial sector and marketing cooperatives. However, the merchandise volume acquired by the socialist commercial sector is not yet large enough in comparison with needs and tasks and especially with social production and with the potential sources of agricultural and food products and industrial consumer goods which are highly varied and abundant mainly in the small industry and handicraft domain. A noticeable volume of social products is still being funneled to the unorganized market and controlled by private traders. The market of some types of goods has sometimes been reformed and managed loosely. This shortcoming has been taken advantage of by traders to establish underhand connections with deviant commercial employees and cadres to introduce counterfeit and bad merchandise into the state commercial sector and to seek ways to speculate and raise prices. These activities must be quickly and severely punished.

Experiences drawn from areas--such as Hanoi, Ho Chi Minh City, Haiphong, Quang Nam-Da Nang, Nghe Tinh, Hau Giang, Thanh Hoa and Ha Nam Ninh--which have begun to make a change in their attempt to master the market and bring about an evident effect have demonstrated that while trying to basically modify the correlation of merchandise volumes on the market between socialist commerce and the free market, it is also necessary to start abolishing the black market, to punish speculators and smugglers severely, to struggle resolutely against enemy sabotage and his accomplices and to redeploy all forces in the organized market. It is first important to energetically activate production, thereby creating conditions to take hold of goods at their sources, and to attach special importance to the exploitation of on-the-spot sources of goods --a central task in acquiring goods--thus stepping up production development and simultaneously increasing the volume of merchandise and incurring the minimum expenses. The state commercial sector and marketing cooperatives must

share between them the acquisition of more categories of goods which, though not principal, are very necessary to meet the people's daily needs. Firmness must be displayed in preventing private traders from competing with the state in buying goods. Marketing cooperatives must quickly expand their activities as goods purchasing and selling agencies of state-operated sectors--first and foremost, the state commercial one--in order to make it convenient for producers to sell their merchandise and put it into the consumers' hands.

The market is closely related to production activities and the people's life and thus affects them every day and moment. To broaden the socialist market is the duty not only of the commercial sector but also of each level and sector.

By firmly abolishing the excessively bureaucratic mechanism and completely shifting to economic accounting and socialist business methods, the socialist commercial sector must move forward to master the market; to do so is realistically to contribute to stabilizing the people's life, prices and the monetary situation and is, at the same time, to directly increase the strength of this sector.

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CSO: 4209/239

ECONOMIC PLANNING, TRADE, AND FINANCE

OBSERVATIONS MADE ON TAX COLLECTION IN HOAN KIEM WARD

Hanoi DOC LAP in Vietnamese 12 Dec 84 p 7

[Article by Hoan Kiem]

[Text] Acknowledged Facts

Hoan Kiem Ward is an important business, industry, and service center of Hanoi, with points where large volumes of merchandise are exchanged, such as the Dong Xuan-Bac Qua Market, the textile market, Hang Co Market, Long Bien Vehicle Station, and Hang Buom, Hang Ngang and Hang Dao streets. Hoan Kiem has administered annual tax collection from more than 5,000 business concerns as well as from 300 cooperatives, small industry and handicrafts teams, and neighborhood marketing cooperatives. The ward's taxes have amounted to one-third of the city's taxes each year, which has made Hoan Kiem a key place for Hanoi trade tax operations.

Ever since the day the new tax law went into effect, cadres and personnel of the Hoan Kiem tax office have endeavored to keep in close touch with the neighborhood and adjust income rates of large businesses in order to correctly assess taxes. They have discovered and taxed more than 300 concerns that had been overlooked. This has caused taxes collected 1 year to exceed those collected the year before, and planning goals set by the state are met each year. Cases of merchants getting behind in their duty to pay taxes have greatly decreased. A number of issues surfaced quickly regarding the law, such as the need for a survey of incomes for a systematic categorization of levels of license taxation. To encourage production, Hoan Kiem correctly implemented the policy of reducing taxes for small industry and handicrafts production teams and cooperatives. Through taxation, the ward controlled and directed subward marketing cooperatives to do business along the right lines for the benefit of the daily life of the people.

Over the recent past, in the field of distribution and circulation in Hanoi, people have come to see that the collective of cadres and personnel of the tax office of Hoan Kiem Ward have not only contributed to the collection of more taxes for the municipal budget, but have also performed their control and inspection functions well, using them to fight smugglers and black market dealers and manage the market. These are accomplishments acknowledged by many people.

Losses of Tax Revenue Or "Kitchen God Tax"

When I was taking a stroll in Dong Xuan Market one day, I ran into someone whose face was vaguely familiar, but I could not remember who he was; then he called out a greeting to me as if I were a close acquaintance. A moment later I recognized him as the son of a cadre in the ward. He had been trained abroad as a technician and had been working at Factory Y. Now his father had made him a tax collector in Dong Xuan Market.

Taxation is a sharp tool useful for encouraging production and business sectors to develop along lines beneficial to national welfare and the people's standard of living. In addition to meeting professional training requirements, therefore, tax cadres must follow the policies of the state. Our research has revealed that influence and relationships have affected the recruitment of personnel for the Hoan Kiem tax office, and some cadres and personnel have joined the office out of motives of personal gain and corruption. Because some people who do tax collection work do not meet the prerequisites for it, in addition to the accomplishments it was able to attain, the Hoan Kiem tax office also experienced a number of serious violations, such as failure to collect taxes, seizure of surpluses, and violating regulations on the disposal of goods.

According to the law, license taxes are to be collected at the beginning of the year. Last June, an on-site inspection of 70 garment business establishments and handicrafts and bamboo goods industries in the "mattress area" of Bac Qua Market revealed that license taxes had not yet been collected from 40 establishments. There are normally 224 businesses in the clothing market (under the bridge), but license taxes had been collected from only 153 of them by the end of June 1984. That makes 111 businesses from which license taxes were not collected in these two places alone!

We are probably all familiar with the bustling business atmosphere of the Gia Ngu Alley area. There are 24 businesses there, but investigations have revealed that 22 of them have incomes much higher than the figures used by the Hoan Kiem Ward tax office to determine their license tax bracket. Among them are four establishments that should be in the Level-2 tax bracket, with an assessment of 3,000 dong per year, but only Level-4 taxes are collected, with income assessed at 500 dong per year!

There is also a serious incidence of tax cadres arbitrarily failing to insure that businesses pay a fair and rational share of taxes. Following are some examples. The Truong Thi Yen establishment, at 17 Nam Ngu St, and the Nguyen Duc Thuy establishment, at 74 Hang Giay St, were producers of soup noodles, but 1,000 in taxes are collected from the Truong Thi Yen business, which has a monthly income of 15,000 dong, while the Nguyen Duc Thuy business, with a monthly income of 13,000 dong, is assessed 3,000 dong. Although additional cadres and personnel have been monitoring subwards in order to keep in touch with tax sources, inspections of 15 businesses in Gia Ngu Alley and 5 in Cua Nam Market revealed that all declared higher incomes than the amounts used by the tax office as the basis for tax collection. The Vuong Thi Dieu wrapped meat sales establishment, for instance, declared a monthly income of 30,000

dong, but its taxes were assessed on an income of 16,000--a tax shortfall of 47 percent, equivalent to 2,305 dong per month. The Tran Thi Hot cooked rice outlet, declaring a monthly income of 50,000 dong, is assessed at a monthly income of 12,300 dong, a 78 percent shortfall equivalent to 8,576 dong per month. The Nguyen Thi Luong chicken sales establishment is assessed at a monthly income of 3,500 dong, which amounts to an average in daily sales of 116 dong--could it be that this establishment sells only .5 kg of meat a day? Results of inspections of 49 establishments revealed that 42 of them declared a total monthly income of 1,034,200 dong, while the total assessment was 532,300 dong (amounting to 52 percent), a 42 percent loss in taxes.

Although the Hoan Kiem tax office received recognition from the city in 1983 for being a unit that exceeded planning goals, loss of tax revenue is still commonplace. In Dong Xuan Subward, in the first 6 months of 1984, tax revenues were missed from 16 establishments, amounting to a sum of 129,677 dong; in Cua Nam Subward and Cua Nam Market, 10 establishments were missed, for a sum of 35,000 dong. Four tax cadres alone--Nguyen Van Tuan, Hoa Thi Thuc, Tang Mai Phuong, and Nguyen Du--lost the state 128,970 dong in missed taxes.

Tax cadres have failed to thoroughly examine economic contracts of production installations to determine the nature of the business, and on that basis correctly apply policies for the collection of commodity taxes. Thus, in 1983 and the first 6 months of 1984, commodity taxes amounting to 135,433 dong were not collected from Bac Cuong Cooperative and Tien Thanh Production Team.

At Hang Co Station, there are 28 departures and arrivals in a 24-hour period, with over 20,000 passengers. In the first 6 months of 1984, the tax booth of the station collected 4,426,000 dong in 7,500 payments. This is an average of four to five collections per day for one cadre. The amount collected is too small for the amount of sales. Meanwhile, there are instances of goods being confiscated and surplus taxation against policy, which has caused trouble for the people.

Why does Hoan Kiem allow the state's tax revenue to be lost? Public opinion holds that it is not due to tax cadres not knowing their jobs, but that there is bilateral collaboration between the merchants and the tax collectors to calculate fraudulently for profit. People are finding that nowadays, in addition to the taxes collected by the state (usually lower than they should be), a "kitchen god" tax is appearing which a number of cadres and personnel of the local tax office are forcing businesses to pay them!

Confiscating and Disposing of Goods

It can be said that tax cadres and personnel operate daily and hourly in direct contact with money and goods. The state has, therefore, published many documents specifying functions and limits regarding the confiscation and disposition of goods. The Hoan Kiem tax office does not follow them closely enough, however, which has led to a number of instances of the seizure of goods with insufficient process or against established policies and procedures. Many memoranda on the retention of goods in the absence of the owner and on disposing of goods which do not bear the signature of the subject and clearly indicate his name and address.

There have been instances of cadres confiscating and disposing of goods, although regulations do not give tax cadres authority to dispose of goods. For example, Memo No 293/84 documents retention of 9.5 kg of fine tea leaves, 2.5 kg of which were disposed of a 7 kg confiscated. Receipt No 1,624/83 documented retention of 205 firecrackers, the disposition of which is not indicated, although none are to be found in storage. Invoice No BC73-3,934 retains .9 kg of round pieces of silver. Without authority to do so, the Hoan Kiem tax office disposed of it by turning it over to the subject in the form of silver turned into various coins weighing a total of .95 kg!

It is our opinion that the most serious violations committed by the Hoan Kiem tax office were the erasure of records and evidence and the loss of gold and silver. Numbers of records of confiscation of gold and silver do not clearly indicate quantities, weights, and present status of the evidence, but only state that it is metal of a white color or white silver. In one memo a weight of 12.55 kg was given, but an inspection of the storage area revealed 18.405 kg, in round form, in bells and in necklaces.

According to Resolution 38 of the Council of Ministers, gold, silver and precious metals collected by a tax agency must be turned over to the bank for handling after 24 hours; the Hoan Kiem tax office did not do this, but retained it in the storehouse without locking it up and without retaining the original documentation, so that it could not be ascertained if it was lost. Investigation of some evidence indicated a shortage of 352 coins (equal to 9.304 kg). Questioned about this shortage, neither the storehouse keeper, Ngo Dong Hai, nor the head of the office, Nguyen Thi Thua, could explain it. Gold was also not turned over to the bank immediately in a number of cases of confiscation, as happened, for example, when a tax cadre at the station tax office confiscated 3.56 ounces, put it in the storehouse, and did not turn it over to the bank until a month later.

Recently, on 6 October 1984, after a visit by an inspection team of the Central State Inspection Commission, Hoan Kiem tax office finally "consented" to transferring 21.280 kg of silver and 37 grams of gold to the city bank.

As we all know, any violations by tax cadres and personnel not only cause the loss of the state's money and goods, but also affects the trust of the masses. Many cadres and the people are following the matter and hoping that the legal agencies will clarify and effectively and severely deal with the cadres and personnel of Hoan Kiem tax office who have acted contrary to the procedures and policies prescribed in the tax law.

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ECONOMIC PLANNING, TRADE AND FINANCE

NHAN DAN ON TRANSFORMATION OF PRIVATE TRADE

BK051642 Hanoi Domestic Service in Vietnamese 2300 GMT 4 Mar 85

[5 March NHAN DAN editorial: "Continue To Accelerate the Transformation of Private Trade and Market Management"]

[Text] Perfecting the socialist transformation and consolidating socialist production relations throughout the country are important objectives of socio-economic tasks that have been affirmed by the Fifth CPV Congress. These tasks are very important for the cause of national construction and defense.

Implementing various resolutions of the party and state, especially the resolution of the party Central Committee sixth plenum, various echelons and sectors have developed their dynamism and creativity, advanced the socialist transformation of privately owned business another step, strengthened market management, and built socialist business establishments--including state-run establishments and marketing cooperatives. These tasks have been carried out comprehensively in various key areas such as Hanoi Municipality, Ho Chi Minh City, Haiphong Municipality, Can Tho City, Quang Nam-Danang Province, and other localities.

Socialist business is a state-run network that must be advanced a further step in preserving goods, improving organization, controlling wholesale and retail trades, and satisfactorily serving production and the people's daily life. In many localities, some important goods such as grain, pork, meat, tobacco, beer, gasoline, oil, clothes, bicycles, and spare parts are being reorganized at production establishments and at distribution and circulation centers. Many places satisfactorily applied various transitional economic forms by establishing joint business corporations, combines, and enterprises to reform and improve privately run industry and business, while turning traders into productive laborers, eliminating activities of capitalist traders and wholesalers, and helping socialist business firmly control wholesale and retail traders thereby balancing the market system in favor of a socialist economy.

Struggles to oppose and eliminate speculation, smuggling--especially at the border areas--theft of state goods and materials, negative phenomena at state-run and collective economic establishments, production of fake goods, and illegal business have been carried out scrupulously at various sectors and localities.

These tasks are very important because they manifest the party's position and policy on transforming privately owned industry and business. These tasks are creating favorable conditions for developing production, improving the people's daily life, and stabilizing the market and prices. However, achievements scored in these tasks are initial and inconsistent. At many localities the organization and network of socialist business is developing very slowly, while material and technical bases are poor and insufficient because they are shifting from a subsidized system to a socialist business system. The struggle to eliminate the free market system has been carried out slowly. At many sectors and localities, including key places, private traders still control a major part in wholesale and retail trades. Many goods that are controlled and managed by the state have been circulating freely on the market. Such activities as speculating, smuggling, stealing state goods, and producing fake goods have not been strictly eliminated.

The party Central Committee sixth and seventh plenum resolutions have stipulated that by the end of 1985 we must basically complete the transformation of privately owned industry and business. We must regard this as an important task on which all sectors and echelons must concentrate efforts in exercising their leadership and supervision.

On the basis of serving and boosting production and firmly securing the sources of industrial and agricultural goods, the socialist market must be expanded. The socialist trade sector must control a bulk of wholesale services, influence retail activities, and move forward to make it possible for the state to achieve a basically unified control over the market. The socialist trade sector must perform well its functions of providing support services to and engaging in trade and must effect a vigorous change in two areas of trade--food supply and support service activities.

Facts show that on the basis of vigorously developing the state-run trade sector and marketing cooperatives in all respects, we must carry out satisfactorily the transformation of private trade and the management of the market and must concentrate on improving the quality of the socialist trade sector in all respects, ranging from its material-technical bases to its contingent of cadres and workers who must have good qualities and abilities and must know how to deal with management and business.

The socialist transformation of private trade must continue to be stepped up and must be linked with the rearrangement of production according to each sort of goods, especially to important goods and those under state monopoly such as grain, foodstuffs, cattle, tobacco, liquor, beer, gasoline, oil, fabric, bicycles, bicycle tires, and medicine. In urban areas, especially big cities and industrial complexes, we must transform satisfactorily those sectors dealing in vegetables, fruits, fish, fish sauce, fuel, public food catering, and support services. In each of these sectors, we must do away with private and capitalist traders including storehouse owners, wholesalers, and those traders engaging in long-distance business trips.

The socialist trade sector must surge forward from a position of strength to replace private traders and must surpass private traders in terms of the diversity of goods, the modes of trade, and the modes of services.

In transforming and dealing with private trade, the form of trade partnership and other forms of economic transition have proven suitable, sensible, and logical, have achieved socioeconomic efficiency; and have won acclaim and support from the public. Not only can these forms enable the state to put private traders' activities into the socialist orbit so as to increase management over the market, currency, and prices, but they can also encourage private traders to use their business facilities, capital, and professional skills to cooperate with the state in trade in order to contribute to the people's socialist construction.

We must arrange, use, and transform small traders and find employment for them by expanding various trades--such as handicraft, support services, the manufacture of goods for export--and by developing family economic activity. We must increase control over the (?registration of trade services) by those small traders still allowed to remain in their business.

We must carry out satisfactorily the tasks regarding the state monopoly over the trading of those kinds of grain and materials of strategic importance and over those essential commodities; the ban on private traders' dealing in these kinds of goods; the elimination of black marketeering; and the severe punishment of speculators, smugglers, and goods counterfeiters--especially those engaging in cross-border smuggling operations. These tasks must be intensively and resolutely stepped up. In every area, the struggle against speculation and smuggling must be linked with the struggle against the enemy' sabotage activities as well as with the struggle against those lending a helping hand to the enemy, namely those corrupt, degenerate and deviate cadres and workers belonging to certain state organs and enterprises.

Basically completing the socialist transformation of private industry and trade within 1985 will be an active contribution to further stabilizing our country's socioeconomic situation, fulfilling successfully the 1981-1985 5-year plan, and creating favorable conditions for the implementation of various socioeconomic tasks for the years to come.

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ECONOMIC PLANNING, TRADE AND FINANCE

NHAN DAN EDITORIAL VIEWS MARKET MANAGEMENT

BK120700 Hanoi Domestic Service in Vietnamese 2300 GMT 8 Mar 85

[NHAN DAN 9 March editorial: "Strengthen Market Management"]

[Text] One of the most important tasks on the distribution and circulation front is to rearrange and reorganize the market, steer all market (?activities) toward the socialist (?path), gradually normalize the circulation of goods and money, stabilize prices, and accelerate the process of ensuring state control over the market and prices. The correct way is to start with the development of production. On the basis of developing production, we must round up an ever-increasing volume of goods under state control while effectively carrying out the unified management of the domestic market. In recent years, especially in 1984 (?when) various resolutions were adopted by the party Central Committee and government, the marked boost in unified market management has made the organized market stronger; and this is a major cause [words indistinct].

However, these results and changes are just a beginning, and they still fall short of the requirements and tasks set forth in the resolutions adopted recently by the party Central Committee to deal with market transformation and management. In some places, at certain times, and in some commodity sectors, the free market still influences prices. State control over private traders' activities has been inadequate and irregular. In a number of units, organs, and state-run and collectivized economic organizations belonging to various sectors and echelons--including both production and distribution and circulation units and both home trade and export-import units--there still exist signs of disorder. Not a few economic units have practiced joint business and integration in trading activities to benefit from (?price differentials). Competition in purchasing and selling products among economic organizations of different sectors, especially the home trade, foreign trade, and marine products sectors, has not yet been put to an end. The lack of order right in the organized market has, in many localities, nullified the effectiveness of state policies on purchases and sales and provided private traders with opportunities for disrupting the market with their purchase and sale transactions.

Retail management has been unsatisfactory. Many retail units and stores engage more in wholesale rather than in retail and sell goods to traders on a wholesale basis. A number of organizations whose functions do not cover home trade activities are still selling goods on the market. Retail prices are (?fairly) unstable. Similar goods of the same quality are sold for different prices

in the same locality and at the same time. These shortcomings have made the socialist trade sector, despite a volume of goods much greater than that of the free market, unable to bring into full play its combined strength and inherent prestige to [words indistinct]. One of the important reasons for this is that the domestic market has not yet been strictly placed under unified management as called for in Resolution No 186 of the Council of Ministers on developing socialist trade and strengthening market management.

Ensuring unified management of the domestic market is aimed at (?meeting) the following three requirements: First, it is necessary to restore business order on the market, first of all in the state-run economy and state organs; and to effectively prevent shortcomings in all operations, from production and collection and purchase to distribution, transportation, and maintenance, that are being taken advantage of by degenerate and degraded elements working hand in glove with speculators and smugglers to pilfer socialist property in many forms and disrupt the market. In production and business, all sectors and echelons must correctly implement economic laws promulgated by the state and place the circulation of goods in the hands of socialist trade organizations. All sectors and economic establishments whose functions do not include trade activities should not buy or sell on the market.

The actual market situation in the past shows that if socialist order can be restored first of all in state-run economic units and state organs, we will have the basic conditions for establishing socialist order in the social market.

Second, it is necessary to strongly develop socialist trade on all three fronts--controlling ever more sources of goods, expand the trade network to the basic level to ensure that goods will reach the consumers, and recruiting a contingent of trade personnel with professional skills and good quality who satisfactorily maintain a civilized and polite attitude in carrying out socialist trade activities.

To ensure unified management of the home market, we must first of all strictly and effectively control business activities on the market of the socialist trade system from the central to grassroots level and overcome the tendency of adopting purely commercial practices and going after price differentials in carrying out state-run trade and marketing cooperative activities.

Third, along with stepping up the transformation of private trade, the state must regularly inspect and control the market to ensure that all businesses have a valid permit; taxes are fully paid according to law; accounting, sources of goods, business income, capital, and prices are subjected to control by state organs; payments are made through bank accounts; the black market is eliminated; and speculators and smugglers are severely punished.

To fulfill the requirements cited above it is extremely important that we establish at an early date a system of statutes governing business activities and, at the same time, develop the people's sense of collective mastery while employing professional organs to promptly discover and severely punish bad elements within the state machinery and in society who are disrupting the market and causing problems for the working people.

At present, apart from the operation of the trade network of the home trade sector, which consists of two components--state-run trade and collectivized trade--the state also allows a number of sectors to engage in trade activities on the domestic market, such as the grain, pharmaceutical products, book and newspaper distribution, and postal sectors. This situation requires that a managerial organ be set up with a unified statute covering all trade activities on the domestic market so as to steer the entire social market within the orbit of socialism. This organ will assist professional organs in inventory and control work and carry out the task of upholding the law in the market.

With its function of state management, the home trade sector's activities must serve as the mainstay of the organized market and dominate the social market. The home trade sector must strive even harder to exercise its function of unified management over the market. Needed together with this effort are the constant guidance of party committee and administrative echelons and the harmonious and effective coordination with all sectors concerned such as the tax and public security security sectors under the direct supervision of the Central Steering Committee for Market Management.

Carrying out unified management of the domestic market constitutes a major measure for restoring market order and creating the conditions for developing socialist trade and controlling the market in a fundamental and effective manner.

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ECONOMIC PLANNING, TRADE AND FINANCE

VFF REPORTS ON GOVERNMENT BOND PURCHASE

BK021517 Hanoi Domestic Service in Vietnamese 2300 GMT 1 Mar 85

[Text] The VFF Central Committee recently issued a communique on the results of the movement to motivate the people to purchase government bonds for national construction. The communique says: During the period 19 December 1983 to 31 December 1984, people of all strata and religious groups throughout the country, in demonstrating their warm love for socialism and their enthusiasm for this movement, have purchased 2.143 billion dong worth of government bonds and more than 7,000 metric tons of rice in form of government bonds.

Over the past year, 13 provinces and cities have fulfilled and overfulfilled plan norms for this movement. These include Dac Lac, Ha Bac, Quang Ninh, Nghia Binh, Quang Nam-Danang, Hoang Lien Son, Lai Chau, Vung Tau-Con Dao, Dong Nai, Nghe Tinh, Phu Khanh, Gai Lai-Cong Tum, and Lam Dong Provinces. Ho Chi Minh City and Hanoi Municipality took the lead in the purchase of government bonds, while Thanh Hao, Hau Giang, Thuan Hai, Ben Tre, and Kien Giang Provinces and Haiphong Municipality have made great efforts in this movement.

The VFF Central Committee appeals to people throughout the country to participate enthusiastically in the 1985 movement to purchase government bonds for the prosperity and strong economy of the fatherland and stability of the people's daily life.

CSO: 4209/290

ECONOMIC PLANNING, TRADE AND FINANCE

STOREHOUSE MANAGEMENT RATIONALIZED, THEFT REDUCED

Hanoi NHAN DAN in Vietnamese 16 Jan 85 p 3

[Article by Ngoc The: "Strictly Manage Storehouses, Abolish the Excessively Bureaucratic Management Mechanism"]

[Text] Despite the existence of a wall and hedge network and some warehouse protection equipment, the Dong Anh General Storehouse subordinate to Storehouse and Transportation Corp No 1 (Ministry of Home Trade) suffered frequent losses of stored merchandise in many years past.

Ever since 1981, the general storehouse has been entrusted with the new task of acting as merchandise reception and transportation agency and managing warehouse. All the personnel from director to warehouse keeper have attended a political activity course to learn professional subject matter and to intensively make criticism and self-criticism and have thus found the following three major shortcomings in warehouse management:

1. In doing their jobs, people did not clearly understand their respective functions; whenever goods were lost, responsibilities could not be determined so that cadres and employees usually shifted the blame on to each other.
2. Because warehouse management regulations were unclear and nonuniform, cadres and employees implemented them at their own convenience.
3. The warehouse security guards were not closely controlled.

With such careless and optional working methods, errors and losses were inevitable no matter how safely the warehouses had been built. After clearly realizing its own shortcomings and the need to manage the warehouses according to law and to a new management system and to abolish the excessively bureaucratic management mechanism, the general storehouse compiled 16 documents with bylaws and regulations including hundreds of stipulations which specified the function and duty of each individual from director to warehouse keeper, which clearly indicated the order and procedure of task execution and which laid down regulations for merchandise entry and exit and warehouse protection. All of these documents were presented to cadres and manual and office workers for discussion and exchange of views. After the legal promulgation of the documents, the most difficult thing to do was to induce everyone to implement them self-consciously and strictly. This involved an acute struggle between the old and new

management mechanism and between the method of working according to law, envisaging economic effects and doing business according to socialist principles for common benefit, on the one hand, and the habit of working according to one's own convenience and for illegitimate private benefit regardless of economic effects, on the other. During this struggle, all comrades including the director, party committee, trade union and youth union secretaries and all controllers and supervisors had to train and improve themselves to become honest, equitable and exemplary leaders in implementing bylaws and regulations while working according to economic accounting and socialist business principles. These key cadres' determination had the effect of motivating and encouraging other cadres and manual and office workers to improve their way of living and to do their jobs according to law.

No matter how perfectly the documents with bylaws and regulations were drawn up, warehouse management according to law would become ineffective if one failed to form a contingent of qualified and capable cadres and security guards. As a matter of fact, many production and business installations did formulate bylaws and regulations and did carefully lock warehouses but failed to strictly control warehouse keepers; consequently, there were many cases when the very cadres and employees in charge of warehouses were either enticed by outsiders or influenced by the luxurious and gratifying way of life and thus gradually degenerated into thieves or helped others to undermine warehouses. Based on this experience, the Dong Anh General Storehouse has considered it very important to organize the cadres and employees responsible for warehouse management and protection. Over the past 3 years, the Dong Anh General Storehouse has gradually effected an internal purge in the following two ways:

--In choosing cadres and employees for important tasks involved in storage and transportation, it has carefully made sure that these persons meet the criteria on political virtues and have special qualifications and that they fully understand the technical regulations on merchandise storage and preservation.

--It has firmly dismissed persons failing to comply with bylaws and regulations, thereby causing losses of state property, and has reassigned to other positions employees failing to meet the criteria on abilities and virtues necessary to persons holding important jobs.

While endeavoring to form a body of honest and qualified cadres, the Dong Anh General Storehouse has continuously built more material-technical facilities to create favorable conditions for cadres and employees to adopt a wholesome lifestyle and to work according to legal regulations. The walls and hedges surrounding the warehouse have been heightened, more material-technical conditions and essential equipment have been provided for management and protection purposes, additional fire fighting equipment has been acquired, watchtowers have been erected and spotlights set up and a telephone network linking the on-duty official's room to the warehouses, watchtowers and security gates has been set up to direct and control warehouse protection, the receipt and delivery of goods and relations with customers and to quickly prevent the enemy and bad elements from sabotaging or breaking into warehouses.

Every year the general storehouse has invited teachers from the Ministry of Interior and Home Trade to open on-the-spot training courses on business administration and warehouse maintenance and protection. Moreover, the general storehouse has taken care of the cadres' and employees' livelihood by urging them to fully use the existing land to increase production, by rationally arranging jobs so that they may have spare time to participate in cargo handling to increase their income and by congratulating and offering appropriate material rewards to persons who conscientiously perform their jobs according to legal regulations and with high productivity, output and efficiency. The general storehouse has also severely punished violators of bylaws and warehouse protection regulations. The fact that the general storehouse director and party committee have paid attention to the moral and material life of the personnel and that they have firmly dealt with bad elements has effectively induced cadres and manual and office workers to get into the habit of working with discipline, to feel happy with their task of managing and protecting warehouses and to struggle against all enemy sabotage schemes.

Merchandise theft no longer happens to the Dong Anh General Storehouse after implementing the new management system over the past 3 years. Many customers coming to hire the warehouses have praised the service rendered and the methodic working manner displayed by the storehouse employees who have ensured the exact amount and good quality of goods consigned in the warehouses so that the merchandise deficit ratio has become negligible.

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ECONOMIC PLANNING, TRADE AND FINANCE

DEVELOPMENT OF COOPERATIVES, ECONOMY IN HIGHLANDS UNDER WAY

Hanoi HNAN DAN in Vietnamese 16 Jan 85 p 1

[Text] In the northern mountain provinces, there are 5,645 agroforestry or forestry-agricultural cooperatives involving 85.5 percent of all tribal families. On the average, each such cooperative includes 90 families with 200 laborers and cultivates 64 hectares. In particular, the highlands in these provinces have 2,100 cooperatives involving 67 percent of all tribal families in collective production. On the average, each such cooperative has about 22 families. Nearly 60 percent of all cooperatives have established end-product contracts with laboring groups and individuals for the cultivation of crops.

These cooperatives have developed the tribesmen's right to collective ownership, abolished all forms of exploitation and simultaneously conducted three revolutions in the mountainous rural areas. Material-technical bases, such as the water conservancy and rural communication road networks, have been strengthened along with the development of terraced fields. The hill-forest economy has been developed continuously. Technical innovations have been gradually introduced in the intensive cultivation of forests and fields. The productivity of crops and domestic animals has become higher than in the past. More cultural, educational and public health facilities have been set up. Public security, national defense and social order have been firmly maintained. The body of district and grassroots cadres--who are mostly tribesmen--has been strengthened from all points of view; an additional number of cadres has been trained continuously by the provincial level in order to meet the requirements of mountain region development.

Everywhere in the mountain provinces, there have emerged new models of skillful production and management which are typical of each region and locality. Especially in the fight to defend the fatherland, almost all cooperatives in the border areas have satisfactorily fulfilled two missions: Keeping up and developing production while fighting and standing ready to fight against the Chinese expansionists' invasion and sabotage in order firmly to defend each inch of land and each forest.

However, the cooperativization movement has developed slowly in the mountain region. The production organization scale and the managerial apparatuses of many cooperatives do not correspond to the natural and economic conditions of

each area and to the lifestyle of each tribe. The economic strength of forestry, agriculture and marine products in the mountain region has not yet been rationally exploited. Forests are still being destroyed, production in many areas is still based on monoculture and the nomad settlement movement has proven unsatisfactory. The new production relationships have not yet been stabilized and are even weak in some areas. The collective economy has been developed slowly and has not yet been linked to production, distribution and circulation. Fairly great discrepancies still exist among the production, management and living standards of various regions and cooperatives.

To quickly overcome the above-mentioned shortcomings, the northern mountain provinces have affirmed that reorganizing cooperatives, perfecting production relationships and developing the mountainous region's economy are urgent tasks. The provinces of Ha Tuyen, Cao Bang, Hoang Lien Son and Son La are urgently studying and determining a suitable cooperative scale for each area, indicating a clear-cut production and business trend for each type of cooperative and co-ordinating the consolidation of cooperatives with the reorganization of production, the improved application of the new system of contract with laboring groups and individuals, and the transfer of lands and forests [to production installations].

To carry out the 1985 plan successfully, many mountain provinces and districts have attentively directed cooperatives to formulate plans to rationally use land and forest resources, the work force and the existing material bases; to step up the intensive cultivation of fields and forests to rapidly increase the productivity and volume of production of grain crops to meet the daily needs of local people and contribute to satisfactorily fulfilling the obligation to the state; to quickly increase the output of agricultural products for export and raw materials for production purposes, thus further developing the mountain region's economy; and simultaneously to stand ready to properly fulfill the mission of supporting and even performing combat activities to defend the border areas of the fatherland.

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ECONOMIC PLANNING, TRADE AND FINANCE

ENCOURAGEMENT, GUIDANCE URGED FOR FAMILY ECONOMY

Hanoi NHAN DAN in Vietnamese 9 Jan 85 p 2

[Article by Nguyen Thanh Binh: "Encouraging and Direct Development of Family Economy"]

[Text] Recently, the Central Agriculture Committee has organized the preliminary plenum for the application of the Central Committee Secretariat's Directive 35 to encourage and direct the development of family economy. After hearing the preliminary report and after the exchange of experience, Comrade Nguyen Thanh Binh, Central Committee secretary, adjourned the plenum. Following are the principal parts of his concluding remarks:

In the last few years, our party and state have promulgated several economic policies in application of the general party line and the economic policy indicated by the Fifth Party Congress Resolution, for the initial stage of the transition period toward socialism.

One of the policies which has obviously contributed to the beginning of a new period of agricultural development is the policy of product contract with labor groups and individuals, a breakthrough in the battle for foodgrain production, foremost being paddy rice, to fully utilize labor, land and capital in the most important production battle, to contribute to agricultural reform and the consolidation of the socialist collective production system. The Council of Ministers' Resolution and the Ministry of Agriculture's guidelines have contributed to the completion of the product contract policy, expanding it to include farm plants and animals, requiring the improvement of relationships between the state and the farmers, the strengthening and consolidating of state production and technical service enterprises, especially at the district level, to support cooperatives and collective production, to apply the new contract policy, turning the product contract policy into a mechanism for collective economic planning as directed by the Fifth Party Congress Resolution.

Following the 1984 directive regarding product contracts and land and forest allocations, the Central Committee Secretariat has issued two important directives. These are the directive to encourage and direct the development of family economy, and the directive to reinforce and consolidate state

enterprises for production and technical services for farm, forest and fish activities. As you comrades are aware, the collective mastery system created the combined forces of three revolutions, of three mastery levels, of four ability resources, of four development resources, and of all the elements of socialism. That is why, in the very directive to reinforce and consolidate state enterprises for production and technical services, we have also mentioned the close relationships between state enterprises and collectives and families; among the collective farms, forests, and fishing enterprises, we must pay attention to the economy of the workers' families. In the directive to encourage and direct family economy, we have also indicated the responsibility of state enterprises and collectives toward family economy, and the development of family economy within the unity of state enterprises, collectives and families. We must have a clear understanding of these concepts in the process of study and application of party and state resolutions and directives.

Thus we have many things to do. This plenum discusses the in-depth application of the Secretariat's directive to encourage and direct the development of family economy. I shall focus my views on this subject.

A year has gone by since the application of the Central Committee Secretariat's directive to encourage and direct the development of family economy. The various and abundant realities of life on our land have reaffirmed the appropriateness of this important directive. The Agriculture Committee's preliminary report and the practical reports from local authorities, base organizations and from representative families have clearly indicated to us the following points:

First, the great capability of family economy. Its small-scale economy is dispersed, but universal, flexible and abundant. It has only spare-time labor but fully utilizes various ways and labor time, land, family capital and the traditional experience of the people. Thus family economy has created a large volume of products with high economic efficiency. Family economy includes outputs beyond contract requirements and products from the full utilization of marginal land, land resources and water surface allocations, producing considerable food outputs. From family economy came nearly 90 percent of our meat and freshwater fish, more than 90 percent of vegetables, nearly 100 percent of eggs, more than 80 percent of fruits and a considerable volume of beans and peas. It is family economy that plants cotton, weaves cloth, grows mulberry and silkworm and operates handicrafts. It is time for us to eliminate the old perception that family economy only produces for the individual family's own needs; in fact, it produces considerable volume of goods and of export products. Hence, precisely as the Secretariat's directives have indicated and factually confirmed: "The development of family economy is linked to collective and state enterprises economy, contributing to socialist industrialization, to create more goods to satisfy the multifaceted consumer needs of the people, to increase raw materials for industry and export goods." This means that if family economy were properly encouraged and directed, it would have the capability to accomplish the three tasks of agriculture, forestry and fishing. Consequently the development of family economy in the right direction is an essential and important responsibility having strategic significance.

Secondly, family economy is an objective entity that has existed since ancient times and will exist for a long time in the socialist revolution. Under past social regimes, family economy was linked to private possession of production supplies by each family, having no common characteristics. Under socialism, family economy must be recognized in its new significance. The Fifth Party Congress Resolution clearly directed: "Family economy must be encouraged, directed and assisted, to ensure that it is a true component of the socialist economy." This means that "within the reformed socioeconomic conditions, and the established and strengthened socialist production relationships" family economy is a component of the socialist economy as indicated by the Secretariat's directive.

Such an understanding will show us our responsibility, which is not only to encourage but also to direct the development of family economy, not only to encourage and direct but also to positively reform agriculture and strengthen the collective and state enterprise economy. Many localities have acquired good experiences which need to be reviewed. Wherever, with technical assistance, family economy develops in the direction of essential production to complete the regional and cooperative structures of production, farm and forest sites, there we find an abundance of products which increase the strength of the centralized and combined production regions, turning them into true components of the socialist economy. By encouraging farmers and workers to engage in family economy we are not telling them to give up their work at cooperatives, farm and forest sites to work on their private gardens. Also we must not allow family economy to grow any plants, or to raise any animals it pleases, since this will result in a self-developing family economy with low socioeconomic efficiency. We should not be narrowly prejudiced nor should we be lax in the direction of family economy. Planning must be applied to each family and must be part of the change in planning. Naturally planning for family economy is not the same as that applied to collective and state enterprise economy. Many localities have applied the contract method for material supply, for product collection and purchase, for providing raw materials, supplying seeds, food and insurance etc... They are collecting and buying products with the approval of pricing, investment and credit policies. They have enabled family economy to develop according to plans and controlled important products. When family economy develops in such directions, more products will be available to society, raising the standard of living for families. Within public benefits lie private benefits and vice versa; public and private interests becoming one constitute the motivation for social progress.

Third, family economy is really multiform, having several forms and is not just a garden economy. There are farmer members' family economy, workers' family economy, government officials' family economy in cities and municipalities. There are family economies in densely populated deltas, different from the highland and midland regions where there is still available land in reclamation and in new economic zones. However, the following forms exist generally:

--surplus production from state or collective contracts, with additional investment in capital, supplies and techniques;

--planting and raising animals in gardens and land allocated to the family according to state policies;
--production from land and water surfaces on loan, additional land allocated to cooperative members (unreclaimed land, forest land, lakes and ponds);
--development of handicraft and family husbandry by adding labor to utilize in whole or in part raw materials, supplies, seeds, food and capital belonging to collectives and state enterprises.

In practice there are other forms of family economy. I bring up the facts that family economy is abundant and multiform, so that you comrades fully realize these peculiar characteristics and avoid applying die cast and insensible policies. The issue is how family economy can develop in the right direction, with abundant products, and how the state can control those products on the basis of encouraging each family to perform well both the collective task and the family output so that more and more products can be available, benefiting both the state and the family. When I say the right direction, I mean the general direction, the common direction, I don't mean that each family can only plant one particular category of plants or raise one particular category of animals. That would be silly. Dac Lac, Dong Nai are encouraging families to plant coffee, so as to become a coffee region, but in their gardens, on loaned land, each family does not have just coffee, but many other products as well.

Fourth, the development of family economy must be made within the combination of state enterprise-collective-family. Such are the new conditions for family economy. If we discuss specifically the family economic issue, it is to study and review a problem in depth; we are not isolating a separate component. If we wish to encourage family economy by introducing scientific techniques into production, such a combination is essential. The same thing applies to directing family economy. This combination also has many forms, sometimes it is between state-collective-family, sometimes it becomes state-family, or collective-family. You comrades have heard that Dien Ban District (Quang Nam-Danang) has combined the expansion of production by developing family handicrafts, Thong Nhut District (Dong Nai) combined with coffee-planting families, the Bac Thai corporation for animal feed combined with cadres and workers to raise pigs. The Nhatrang chicken corporation combined with chicken-raising families, Ha An village (Quang Ninh) combined with member families to develop handicrafts, Da Ton (Hanoi) Dong Hoa (Thai Binh) and Dan Hai (Haiphong) cooperatives combined with members in mulberry planting and silkworm farming, horticulture, husbandry and fishery. There are many other possible models, but they all illustrate an idea, which is that economic combination must be done with economic policies and not by appeals or orders, and if we wish to have durable economic combinations we must appropriately solve the benefit relationships. A common ethic is that families only work if there are benefits. Another common ethic is that families only produce goods if these can be sold and distributed with benefits; otherwise they would either produce just enough for their own use or bring their products to the market for sale without going through organizations. In order to develop family economy it is necessary to solve the important problems of capital and technical assistance, price policies, marketing and concrete forms of economic combinations.

For family economy to develop, as I have said, we need a policy of encouragement and assistance. The Secretariat's directive has raised questions relating to land for family economy, financial policies, supplies, technical assistance and communication and distribution policies. In the coming months these matters will be institutionalized into laws and government regulations.

Here I wish to add to the guidelines to encourage and direct family economy. The provinces, cities, districts, especially the districts, have an important role in thoroughly understanding the party line, mobilizing party and state policies, building the combination on state-collective-family upon the basis of projects and plans at district, province and city levels. To develop family economy we must solve the problems of management and techniques and initiate popular movements. People's organizations, especially the Collective Farmers' Association, labor unions, youth, women, the Garden Association, the Bee Farming Association and other associations for the dissemination of S&T, all have an important role in the mobilization of popular movements, and in the technical direction to create models of family economy developing in the right direction. More products would thus be made available to society, contributing to a stable and better life for the people.

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ECONOMIC PLANNING, TRADE AND FINANCE

RENTS RAISED TO IMPROVE URBAN HOUSING

Hanoi NHAN DAN in Vietnamese 8 Jan 85 pp 2, 4

[Article: "House Nourishes House"]

[Text] Such is the slogan, or more precisely the capital formation procedure for the management, repair and rehabilitation of urban housing being applied by a number of municipalities during the past year. It does not mean that this has not been done before, that is to say that capital resources needed for these operations were mostly provided by rent revenue. The problem is that rental rates applied since 1960 have become unimaginably obsolescent. Comrade Truong Tong, deputy director of the Hanoi Housing Bureau states: "While construction material prices have soared more than 10 times, house rents are still at the rate applied more than 20 years ago, each square meter rents from 0.15 to 0.85 dong, not enough to buy a red pepper." According to standard prices, the construction cost for a square meter of durable housing should be approximately from 7,000 to 8,000 dong. To rent out at the old rate (the highest of which is 0.85 dong per square meter, per month) it would take more than 600 years for the state to recover its capital investment. This price support results in a shortage in operating funds. In 1982, Hanoi was only able to repair housing space equal to 35 percent of 1981.

Comrade Muoi Hai, deputy director of the Ho Chi Minh City Housing and Municipality Construction reports: "Ho Chi Minh City has 31.7 million m^2 meters of construction space, including 22.5 million m^2 of housing equal to 32 percent of the total urban housing space in the entire country. In the past years, due to the fact that rental is still based on the old rate applied in north Vietnam, the city does not have sufficient operating funds and only a small part of damaged housing has been repaired. Many private individuals who rent houses for production or commercial purpose, collect monthly profits of dozens of thousand dong, but only pay to the state rents which turn out to be less than the cost of a bowl of noodle soup."

In the past years, both through birth and growth, our urban population increased by 3 percent, while housing constructions only increased by 1.5 percent. This state of things compels those who are responsible for housing management and allocation in the four cities of Hanoi, Ho Chi Minh, Haiphong and Danang to make plans for capital formation by readjusting housing

rentals and water rates. In these cities, the readjustment aims essentially at private households who rent houses for production or commercial purpose. Haiphong particularly, following the guideline "people know, people discuss, people act," initiating the collective mastery of the people and relying directly on base administrations at the neighborhood level, has been able to adjust housing rentals and water rates for enterprises, agencies, cooperatives, and private individuals who rent houses for production, business and office usage. The price levels are being determined according to the principle that office space rents lower than production space which is lower than commercial space, this in turn is divided into less profitable locations which rent for less than more profitable ones. Some private commercial households who have been used to "free rent" paying 0.85 dong per square meter per month have reacted openly now that their rents are being increased to 50 dong. But realities have persuaded them to comply. Together with the adjustment of rentals, the city has initiated the guideline "house nourishes house," applying the receipts to management, repair rehabilitation of housing. Houses and some streets have been repaired, enlarged and modernized. At present Haiphong has basically stabilized the rent management mechanism (with the exception of cadres, workers and public servants who are still dependent on the salary system). In 1984, with these capital resources, Haiphong was able to repair damaged housing space more than 10 times the preceding year's. Hanoi alone repaired three times 1983's housing space. Danang received 12 million dong from collections made out of overusage of standard housing space.

Ho Chi Minh city collected nearly 120 million dong from housing, storehouses, open spaces, 10 times more than in 1981. This considerable capital resources enables the repair of damaged housing amounting to more than 1 million m^2 , an increase of 25 percent over 1983, including the modernization of 1,220 slum houses and those built on stilts over canals and ditches, covering an area of 15,000 m^2 .

With the readjustment of house rental, a number of agencies, enterprises, cooperatives and private individuals in these four large cities have, on their own initiative rearranged housing and working space more rationally and have returned to the state nearly 30,000 m^2 of housing space. This extra space is equal to more than half the new housing space built by the Hanoi Construction Agency in 1984 after overcoming many obstacles and with capital investment of more than 200 million dong.

The result of house rental adjustment (although partially carried out) has obviously indicated nine benefits: initial capital formation; move from price support to business accountability; establishment of a new management mechanism; increased efficiency of urban construction management; rational operation and utilization of existing housing funds; direction for preventing rapid housing depreciation; construction maintenance and urban beautification; savings realized from a volume of social assets; availability of extra housing space for allocation to workers.

It is correct to say that this is a novelty in the modernization of management mechanism in the building industry.

ECONOMIC PLANNING, TRADE AND FINANCE

BRIEFS

LAM DONG NEW ECONOMIC ZONES—During the 9 years between 1976 and 1984, Lam Dong Province welcomed 19,890 families comprising 107,000 people, including 55,890 laborers, from Ha Nam Ninh, Ha Son Binh, Binh Tri Thien, and Nghia Binh Provinces and Hanoi Municipality to build new economic zones. Lam Dong has also sent over 5,000 families from the towns of Bao Loc, Duc Trong, and Don Duong and Dalat City to various new economic zones in the provinces. To date, the province has built 40 new economic points, 19 new economic villages, and 1 new economic town. These new economic zones have opened 25,350 hectares of new land. [Excerpt] [Hanoi Domestic Service in Vietnamese 0500 GMT 14 Mar 85 BK]

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AGRICULTURE

NHAN DAN ON STATE FARMS' ROLE IN AGRICULTURE

BK071448 Hanoi Domestic Service in Vietnamese 2300 GMT 6 Mar 85

[7 March NHAN DAN editorial: "Develop the Leading Role of State-Run Components in Socialist Agriculture"]

[Text] The country now has 37 state farms which are scattered in almost all of the 40 provinces and cities. The system of state farms now has 250,000 hectares of cultivable land under its management. Many large areas specializing in planting industrial and fruit crops and raising livestock are being set up to contribute to creating sources of raw materials for processing industries and farm produce for export and to increase the supply of grain and food to society.

Various state farms have shown new developments in reorganizing production, improving economic management, expanding the forms of economic integration and joint business, and with a spirit of self-support, surging forward to control and exploit effectively all the lands, manpower, and material-technical bases now at their disposal. Many state farms have succeeded in overcoming their lingering weaknesses, arranging their forces so they can go into production and business, and quickly increasing output to ensure profits. A number of new and old state farms operated by either the central or local level have, however, still been unable to determine clearly their production objectives. Their production output has not yet been commensurate with their existing production capacities. The production output of various crops and animals and the labor output have still been low.

In many areas, land and material-technical bases have not yet been used in a rational manner, and there still exists a high degree of wastage in this area. Efforts to recover the capital invested have been slow. Many projects of cooperation with foreign countries have produced poor results while efforts to provide scientific and technical support to production have still been scattered.

In compliance with various directives and resolutions of the party and the state, all state farms must quickly rearrange and reorganize their production according to their specific situations and their assigned missions. In rearranging and reorganizing production, we must first of all ensure increased production in accordance with the state plan in order to develop satisfactorily the economic advantages of various sectors, areas, and localities. Simultaneously, we must closely link the state-run economic sector with the collectively- and family-run economic sectors, with the state-run component always playing a leading role.

We must rearrange and reorganize production, trying to help state farms attain high economic efficiency in production and business, ensure good product quality, and obtain necessary conditions to apply technical innovations widely and uniformly in production. On the other hand, it is necessary for state farms to implement fully their task of supplying seedlings and breeding animals for agricultural production, raw materials for processing industries, and agricultural products for export and domestic consumption.

The production objectives of state farms must clearly reflect the concepts of specialization and integrated business if efforts are to be made to exploit all the existing potentials in land, manpower, equipment, and machinery of each state farm. In addition to its duty of specializing in crop cultivation and stock breeding, every state farm must make full use of its material property for tree planting and fish raising and must link agriculture with forestry, fishery, and processing industry and combine crop cultivation with animal husbandry. This is to create a wide range of products.

It is necessary to expand the form of cooperation, economic integration, and joint business between state farms themselves, between agriculture and the processing and service industries, between state-run components and cooperatives, between production collectives and families, and between production establishments and scientific organs in order to quickly introduce technical innovations into production.

It is necessary to renovate the organizational activities of state farms in an appropriate manner in order to improve their production output, product quality, and economic efficiency. Responsible sectors and localities must promptly divide management responsibilities over various state farms. The division of management responsibilities and the allocation of establishments for management must be carried out in such a way as to ensure increased production, high economic efficiency, quick increase in the quantities of products delivered to the state and in the revenue for the state budget. Efforts must be made to avoid mechanical duplication and those measures that do not produce realistic results.

In improving the mechanism of economic management, state farms must strive to formulate comprehensive production and business plans on the basis of exploiting all the four sources of capabilities and balancing both products and value. The organs supplying state farms with materials and energy are responsible for strictly observing the specifications for quantity, quality, place and date of delivery, and directed prices as provided for in the plans and the signed contracts. State farms have the obligation to deliver their products in full. If conditions permit, they are allowed to set up shops to introduce new products and sell those products turned out under the secondary production plan, or to exchange part of the products turned out in excess of the plan norms and the products fully procured for supplies which will be used as rewards or sold to, cadres, workers, and state employees in accordance with the financial and monetary systems prescribed by the state.

Economic accounting is an important factor in management. State farms must strive to gradually include all the necessary expenses in the production cost so as to increase productivity, quality and efficiency. It is necessary to perfect economic-technical norms, extend economic accounting to the production cells and units, and broadly apply accounting toward labor groups and laborers. An important measure is to expand and perfect the implementation of the product contract system toward labor groups and laborers, ensure the principle of linking all types of labor with the finished products, and carry out wage contracts toward the state farm management apparatus on the basis of rationally established norms and criteria.

The right to financial autonomy of the basic units must be respected so as to create conditions for every state farm to acquire the necessary capital for production and business. It is necessary to satisfactorily resolve the issue involving profit and profit distribution and the various policies and systems concerning credit, prices, wages, and bonuses; and to broaden the responsibility and authority of the director in organizing economic activities and in production and labor management.

Every state farm must uphold the spirit of self-reliance and the sense of collective mastery, dynamically and creatively renovate the mechanism of management, and really embark on production and business activities with high productivity, quality, and efficiency. All sectors and localities must create favorable conditions and promptly remove all the restrictions found in the management system and specific policies to help the state farms further develop their leading role in the socialist agriculture.

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AGRICULTURE

AREA IN INDUSTRIAL CROPS INCREASED

Hanoi NHAN DAN in Vietnamese 9 Jan 85 p 2

[Article: "Throughout Vietnam More Than 559,000 Hectares of Quick-Growing Industrial Plants Planted, Increasing 7.3 Percent Over Last Year, Many Specialized, Intensive Cultivation With High Production Expanded, Additional New Materials Provided for Industry and Export"]

[Text] This year, together with the strong push in foodgrain production, agriculture and local authorities are focusing on quick-growing industrial plants to satisfy consumer needs, to supply raw materials for industries and especially for export requirements, to increase accumulated capital for the initial industrialization of socialism. Generally speaking, production of quick-growing industrial plants has increased considerably, and compared to foodgrain plants their rate of increase is more rapid. According to incomplete data from the General Office of Statistics and the Ministry of Agriculture, the whole country currently plants more than 559,000 various quick-growing industrial plants, an increase of 7.3 percent over last year. Peanut, sugarcane and tobacco planting has grown fast and regularly. Compared to 1983, the planting area in peanuts increased 16.3 percent; sugarcane, 10.9 percent; tobacco, 28.6 percent. Some plants, such as soy bean, rush, mulberry and cotton tend to slow down and decrease. Lang Son and Ha Nam Ninh are two provinces having rapid increases in tobacco planting area, productivity and quantity over 1983. Lang Son's tobacco planting area has increased 67.5 percent, average productivity has increased 62.9 percent, output 282.6 percent. Ha Nam Ninh's tobacco output has increased 48.5 percent. Although compared to 1983 the productivity of quick-growing industrial plants has not increased substantially, many provinces, districts, and cooperatives, with existing seed grains, have applied intensive cultivation and attained quite high productivity for peanuts, soy bean, sugarcane and tobacco. This indicates that the productivity potential of quick-growing industrial plants can still be increased if given intensive investment in supplies, physical and technical facilities and good guidance in intensive cultivation. A further development in industrial plants is the expansion of relatively specialized regions, which has become a cultivation practice in many areas, such as the raw material regions in sugarcane around sugar mills; tobacco regions in Ha Bac, Cao Bang, Lang Son, Ha Nam Ninh and Thanh Hoa.

The essential reasons for the increase in output of quick-growing industrial plants this year include the following factors: better application of technical progress in production to larger areas in the selection of seeds and new hybrid seeds; better and extensive utilization of the techniques of intensive cultivation, timely application of a number of party and state plans and policies for quick-growing industrial plants regarding prices, collection and purchase, storage and movement of goods, and product contracts to labor groups and individuals... If plans and policies are proper and more appropriate, it is to be expected that industrial plants will develop to a greater extent in the near future.

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AGRICULTURE

INCREASE IN MARINE PRODUCT OUTPUT IN 1984 NOTED

Hanoi NHAN DAN in Vietnamese 16 Jan 85 p 2

[Text] In 1984, weather conditions were especially complex and unfavorable to the marine product sector. Many violent whirlwinds, storms and floods devastated the coastal areas and the Red and Mekong river deltas. The provinces of Thuan Hai, Nghia Binh, Phu Khanh and Nghe Tinh suffered casualties and losses of boats and fishing equipment. Shrimp and fish bred in many Bac Bo and Nam Bo provinces drifted away with the floods. Together with various localities, the marine product sector tried to overcome all difficulties caused by natural calamities, to keep up and develop production and to fulfill the 1984 state plan 1 month ahead of schedule and from the points of view of exploitation, breeding, cultivation, purchase, processing and exportation. As reported by the Ministry of Marine Products, in 1984, the gross output of marine products was 764,500 tons, exceeding the yearly state plan norm by 4.7 percent and the 1983 output by 5 percent and including over 530,600 tons of sea shrimp and fish. The amount purchased by the state came to more than 280,000 tons, exceeding the yearly plan by 6.4 percent and the 1983 amount by 10.6 percent and including nearly 244,000 tons of sea shrimp and fish. In foreign currency, the total export value of marine products surpassed the yearly plan norm by 14 percent and showed a 33 percent increase over 1983.

While organizing the catching of sea shrimp and fish, the marine products sector has stepped up breeding and cultivation. For this purpose, more than 337,000 hectares have been used to create a number of areas to breed and catch marine products of export value. The marine product output has increased substantially as compared with the past. The production of marine products in North Vietnam has been further intensified. Many S&T advances have been applied in production and have brought about great economic effects. To catch sea shrimp and fish, some coastal provinces have implemented measures designed to combine manual and mechanical methods to contribute to overcoming difficulties caused by the shortage of equipment, gasoline and oil. State-operated marine products installations, cooperatives and production collectives are continuously improving management, applying the end-product contract system and motivating laborers to exploit, breed, cultivate, deliver and sell more marine products to the state. Displaying dynamism, many localities have set up joint ventures and alliances to exploit, breed, cultivate and purchase marine products and have begun to achieve practical results. After being decentralized,

the marine products sector at the district level has had favorable conditions to develop comprehensively. Many coastal areas and flooded inland regions have been organized to carry out catching, breeding and cultivating projects. While innovating the managerial mechanism and reorganizing production, the marine products sector is continuing to surmount difficulties, to concentrate on reforming the nationwide marine products occupation, to gear fishermen and boats toward the socialist production and business system and to strenuously fulfill the 1985 state plan.

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4 April 1985

AGRICULTURE

COUNCIL OF MINISTERS ADJUSTS DISTRICT BOUNDARIES

BK070727 Hanoi Domestic Service in Vietnamese 0500 GMT 6 Mar 85

[Text] The Council of Ministers recently issued the following decision on the readjustment of the boundaries of a number of districts in Ha Son Binh Province:

1. In Da Bac and Tan Lac Districts: Ngoi Hoa village will be separated from Da Bac District and integrated into Tan Lac District. Thus, Tan Lac District will be composed of 23 villages, namely Ngoc My, Dong Nang, Thanh Hoi, Tu Lau, Man Duc, Huy Hau, My Hoa, Phong Phu, Duc Giao, Tan Lo, Qui My, Do Nhan, Loi Tam, Gia Ngo, Trung Hoa, Phu Vinh, Phu Cuong, Quyet Chi, Lung Van, Nam Son, Bac Son, Ngo Luong, and Nghi Hoa. Tan Lac district will be bordered on the east by Ky San and Lac Son Districts, on the west by Mai Chau District, on the south by Thanh Hoa Province, and on the north by Da Bac and Kim Boi Districts.
2. In Da Bac and Ky Son Districts: Trung Lai village will be separated from Da Bac District and merged into Ky Son District. Thus, Ky Son District will have one township--Giao Phong--and 25 villages which are: Yen Thuong, Yen Lap, Dung Phong, Nam Phong, Tay Phong, Tan Song, (?Tan Phuong), Dong Duong, Bac Phong, Thu Phong, Binh Thanh, Thong Nhut, Dan Chu, Phu Nghi, Doc Lap, Yen Mong, Trung Ninh, Phu Ninh, Hop Thanh, Hop Thinh, Ninh Hoa, Phuc Tri, Dan Hoa, Dan Ha, and Thong Nai. Ky Son District will be bordered on the east by Luang Son and Kim Boi Districts, on the west by Da Bac District and Vinh Phu Province, on the south by Tan Lac District, and on the north by Ba Vi District of Hanoi.

After being readjusted, Da Bac District will have 20 villages, namely Muong Tuong, Muong Truong, Dong Nai, Dong Ruong, Dong Chum, Thanh Cao, Tan Van, Tan Minh, Toan Son, Tien Phong, Tuy Bi, Giap Dat, Trung Thanh, Doan Ket, Can Son, Suoi Ne, Vay Lua, Hao Bi, Yen Hoa, and Hien Luong. Da Bac District will be bordered on the east by Ky Son District, on the west by Son La Province, on the south by Tan Lac and Ky Son Districts, and on the north by Vinh Phu Province.

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AGRICULTURE

NHAN DAN ARTICLE ON TIEN GIANG AGRICULTURE

BK091321 Hanoi NHAN DAN in Vietnamese 6 Feb 85 pp 2, 4

[Article by Duong Van Lap, vice chairman of Tien Giang Provincial Agricultural Committee: "The Road to Achievement of Agricultural Transformation in Tien Giang"]

[Summary] "Along with celebrating the new Spring Festival, the people in Tien Giang Province are joyfully welcoming a new landmark—a remarkable achievement 10 years after the revolution—that the province has basically completed the agricultural transformation. More than 2,580 production collectives and 67 agricultural cooperatives have been established, thus engaging 87 percent of cultivable land and almost 87 percent of peasant families in collective production."

In 1977 the province established two cooperatives in Cai Lay and Go Cong Districts, but due to the peasants' lack of enthusiasm, little was achieved. Until late 1979 the province's party and people's committees helped accelerate the agricultural transformation task by establishing 68 agricultural cooperatives and 180 production solidarity teams, while organizing courses for cadres to firmly grasp the policy of the party Central Committee Secretariat Directive No 100 on the product contract system. Through the application of this system agricultural transformation in the province has been strengthened and consolidated since 1980.

"Since 1981 the number of collectives and cooperatives have gradually increased annually. In 1982 the province had 20 cooperatives and 808 production solidarity teams. In 1983 the number had increased to 27 cooperatives and 2,490 production solidarity teams, and as of 30 November 1984 the total was 62 cooperatives and 2,629 production solidarity teams."

Tien Giang Province also carries out the motto: "The state and the people work together" by establishing hundreds of projects directly serving production and society. Many cooperatives and production solidarity collectives have used their public welfare funds to help the aged, disabled, and families who have provided meritorious services to the revolution.

Over the past few years, the agricultural transformation movement of the province has developed quickly. While carrying out this task the province has combined it with the transformation of industry and business. "The province has established 65 small industry and handicrafts cooperatives and 84 cooperation and 424 production solidarity teams and so forth, thus integrating thousands of workers to work for collectives."

In addition, the province has also organized courses to improve the quality and skills of grassroot party cadres, especially in economic management. "The province has 9,600 party members, 30 percent of whom participate in activities of agricultural, marketing, credit, and small industry and handicrafts cooperatives."

In implementing the mass revolutionary movement, the province has recruited almost 4,300 new party members, 50 percent of whom were admitted through the agricultural transformation movement. The province has also produced 44,250 grassroot cadres, including economic managerial cadres, business operation cadres, and technicians for various districts.

Tien Giang Province's efforts in integrating peasants to work in collectives has created a new zeal in the rural area. However, this is only an initial achievement. The province's party organization is striving to prevent subjectivism and develop achievements, while carrying out immediate tasks to consolidate and strengthen the cooperativization movement.

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AGRICULTURE

REPORT ON 5TH-MONTH SPRING RICE PLANTING

BK021627 Hanoi Domestic Service in Vietnamese 0500 GMT 2 Mar 85

[Text] Thanks to the favorable weather condition since early this year, the 5th-month spring rice planting in both northern and southern Vietnam has been carried out satisfactorily. According to the General Statistics Department and the Ministry of Agriculture, as of 25 February the country had planted 1,577,625 hectares of the 5th-month spring rice, or 90.1 percent of the planned acreage and 17.4 percent more than the corresponding period last year.

The 5th-month spring rice acreage in the north increased by 24.9 percent; in the Red River Delta alone increased by 40.5 percent compared with the corresponding period last year. In the central region, the 5th-month spring rice was planted in February, when the weather condition was most favorable. Bac Thai, Lai Chau, Hoang Lien Son, Vinh Phu, Thai Binh, Ha Nam Ninh, and Hai Hung Provinces completed their planting in February. Ha Son Binh and Ha Bac Provinces, because of the recent floods and slow dry plowing, have scored from 50 to 70 percent of their planned acreage. They are striving to fulfill their targets as soon as possible.

In the south, the 5th-month spring rice acreage increased by 10.7 percent. In the Mekong River Delta, it was increased by 16.8 percent compared with the corresponding period last year or 2 percent exceeding the set plan norm. Provinces in eastern Nam Bo achieved only more than 50 percent of their cultivation plan norm. In some localities, the area ravaged by harmful insects reached 187,000 hectares--50,000 hectares more than the previous years--of which 23,000 hectares were in the north and 164,000 hectares in the south.

Paying special attention to caring for the 5th-month spring rice, various localities are sending more insecticide to various grassroots units and taking various measures to prevent harmful insects from spreading other areas.

The country has planted 622,485 hectares of vegetables, subsidiary food, and industrial crops, or from 4 to 17 percent more than in the corresponding period last year. Many subsidiary food crops increased considerably. Manioc increased by 49 percent, corn by 16.1 percent, peanuts by 50.9 percent, and tobacco by 16.2 percent. However, achievement of this year's plan norm is still low. To date, only 29.7 percent of the planned subsidiary food crop and 20 percent of planned industrial crop acreage have been achieved. Many crops

achieved a very low percentage, of which soybean was 6.5 percent and sugar-cane 8.8 percent of the set plan norms.

Localities are striving to use all available land, mobilize manpower, and use more seed and material to expand areas for subsidiary food and industrial crops, thereby fulfilling the cultivation plan norms.

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AGRICULTURE

BRIEFS

SOUTH'S CULTIVATED AREAS EXPAND--Thanks to the restoration and reclamation of millions of additional hectares of land, along with the increase in the number of crops per year, over the past 10 years the South has been able to expand its cultivated area rapidly, from 2.877 million hectares in 1975 to 4.656 million hectares in 1984. Various regions, such as the Mekong River Delta, Eastern Nam Bo, Central Highlands, and Central Coast, as well as all localities in these regions, have undergone remarkable changes in the exploitation of their potential in terms of arable land aimed at satisfactorily resolving the grain problem on the spot and developing the cultivation of industrial crops. They have also expanded their cultivated area by approximately 100 percent compared with 1975. The Central Highlands region alone has expanded its cultivated area from 160,000 hectares in 1975 to 347,000 hectares in 1984. Many provinces in the Eastern Nam Bo region, such as Song Be and Dong Nai, have expanded their cultivated area by 150 percent over 1975. [Text] [Hanoi Domestic Service in Vietnamese 0500 GMT 3 Mar 85]

SONG BE SOCIOECONOMIC TASK--The Song Be party committee recently held a conference to review its 1984 socioeconomic task and discuss orientations and tasks for 1985. The conference reviewed various achievements scored during the past year and designed future tasks based on resolutions of the party Central Committee seventh plenum. Last year the province produced 187,000 metric tons of grain. Its manioc and corn production also increased considerably. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 25 Mar 85 BK]

HA BAC 5TH-MONTH RICE--As of 22 February, agricultural cooperatives in Ha Bac Province had planted almost 60,000 hectares of 5th-month spring rice or over 70 percent of the planned acreage. More than 100,000 peasants worked in the ricefields over the past several days. As a result, they have almost finished the planting work for this 5th-month spring crop. Many cooperatives have finished their plowing work before schedule, thus effectively accelerating the pace of planting. [Summary] [Hanoi Domestic Service in Vietnamese 1430 GMT 25 Feb 85 BK]

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POPULATIONS, CUSTOMS AND CULTURE

HANOI CONFERENCE VIEWS SETTLEMENT OF NOMADS

BK111159 Hanoi Domestic Service in Vietnamese 1300 GMT 10 Mar 85

[Text] The Ministry of Forestry and the Central Committee for the settlement of nomads held a conference in Hanoi on 4-5 March to review the 1984 task of settling nomads throughout the country and to discuss orientations for continuing this task in 1985.

In 1984, despite the ravages of the enemy and natural calamities, various nomad settlement areas throughout the country have developed this movement quantitatively and qualitatively with concrete socioeconomic results for people in these areas. Last year in 22 mountainous provinces carrying out nomad settlement, more than 50,865 families, including 237,550 persons at 415 points, have basically achieved four criteria for the completion of nomad settlement. Gia Lai-Cong Tum, Ha Tuyen, Quang Ninh, Hoang Lien Son, Thanh Hoa, and Binh Tri Thien Provinces have scored remarkable achievements. In addition to helping the people move their belongings for resettlement, various localities have reclaimed 3,450 additional hectares of land for cultivation and have improved 1,630 hectares of wet ricefields for intensive cultivation to help increase local grain production.

Along with reclaiming land, various nomad settlement areas have also accelerated small water conservation and hydroelectric projects in close association with communications tasks to serve production and the people's daily lives. Also in 1984 these areas planted 710 additional hectares of long-term industrial crops such as tea, cinnamon, anis, and coffee, thereby helping increase productivity and solve the food problem. [sentence as heard]

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